



AUSTRIA

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DETAILED ASSESSMENT REPORT ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

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DETAILED ASSESSMENT REPORT ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

April 23, 2026

Approved By
Legal Department

This Detailed Assessment Report was prepared in the context of an IMF Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) assessment mission in Austria during June 16–July 2, 2025, led by Pierre Bardin, IMF and overseen by the Legal Department, IMF. Further information on the IMF's AML/CFT program can be found at:

<http://www.imf.org/external/np/exr/facts/aml.htm>

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Glossary

A-FIU	Austrian Financial Intelligence Unit
ABBAG	<i>Abbaugesellschaft</i> , the Austrian federal government's restructuring and winding-up agency
AG	Stock Corporations (<i>Aktiengesellschaft</i>)
AIFMG	Alternative Investment Management Companies (<i>Alternative Investmentfonds Manager-Gesetz</i>)
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
AMLA	Authority for Anti-Money Laundering and Countering the Financing of Terrorism
AMLD	Anti-Money Laundering Directive
AR	Asset Recovery
ARHG	Federal Law on Extradition and Mutual Legal Assistance (<i>Auslieferungs-und Rechtshilfegesetz</i>)
ARO	Asset Recovery Office
BAK	Federal Bureau of Anti-Corruption (<i>Bundesamt zur Korruptionsprävention und Korruptionsbekämpfung</i>)
BAO	Federal Tax Code (<i>Bundesabgabenordnung</i>)
BiBUG	<i>Büro zur Umsetzung von Gleichbehandlung eV</i>
BJA	Federal Criminal Police
BMEIA	Ministry of Foreign Affairs (<i>Bundesministerium für europäische und internationale Angelegenheiten</i>)
BMF	Ministry of Finance (<i>Bundesministerium für Finanzen</i>)
BMI	Ministry of the Interior
BMJ	Ministry of Justice (<i>Bundesministerium für Justiz</i>)
BMWET	Ministry of Economy, Energy and Tourism
BNI	Bearer Negotiable Instrument
BörseG	Stock Exchange Act (<i>Börsegesetz</i>)
BStFG	Federal Act on Foundations and Funds
BVT	Federal Office for the Protection of the Constitution and Counterterrorism (<i>Bundesamt für Verfassungsschutz und Terrorismusbekämpfung</i>)
C	Compliant
CARIN	Camden Asset Recovery Informal Networks
CBR	Correspondent Banking Relationships
CDD	Customer Due Diligence
CESEE	Central, Eastern, and Southeastern European
CI	Credit Institution
CID	State Criminal Investigation Departments
CIS	Criminal Intelligence Service
CIS	Commonwealth of Independent States
CNUE	Council of the Notaries of the European Union

COMET	Working Party on the Application of Specific Measures to Combat Terrorism
CPF	Combating Proliferation Financing
CRR	Capital Requirements Regulations
DHVG	Dealers in High-Value Goods
DNFBP	Designated Non-Financial Business or Profession
DPMS	Dealer in Precious Metals and Stones
DPRK	Democratic People's Republic of Korea
DSN	Directorate of State Security and Intelligence
DSt	Disciplinary Statute for Lawyers and Trainee Lawyers
EAW	European Arrest Warrants
EC	European Commission
ECB	European Central Bank
EDD	Enhanced Due Diligence
EEA	European Economic Area
E-GeldG	E-Money Act 2010 (<i>E-Geldgesetz</i> 2010)
EKV	Regulation on Qualifying Holdings 2016
EPPO	European Public Prosecutor's Office
EIO	European Investigation Order
ETIAS	European Travel Information and Authorisation System
EU	European Union
EU-JZG	Federal Law on Judicial Cooperation in Criminal Matters with EU Member States
EU-PolKG	EU Police Cooperation Act
FATF	Financial Action Task Force
FBG	Commercial Register Act (<i>Firmenbuchgesetz</i>)
FI	Financial Institution
FINA	Financial Intelligence Network Austria
FinStrG	Financial Criminal Law Act
FIU	Financial Intelligence Unit
FlexKapG	Flexible Companies (<i>Flexible Kapitalgesellschaft</i>)
FMA	Financial Market Authority
FMABG	Financial Market Authority Act
FM-GwG	Financial Markets Anti-Money Laundering Act (<i>Finanzmarkt Geldwäschegesetz</i>)
FSRB	FATF-Style Regional Body
FTE	Full-Time Equivalent
FUR	Follow-up Report
GenG	Cooperative Act
GewO	Trade Act
GDP	Gross Domestic Product
GmbH	Limited Liability Partnerships (<i>Gesellschaft mit beschränkter Haftung</i>)
GSpG	Gaming Act

HNWI	High Net Worth Individual
IF	Investment Firm
ImmoKG	Real Estate Investment Companies
InvFG	Investment Fund Act
IO.	Immediate Outcome
IPCM	Intelligence and Policy Coordination Meeting
IRM	Implementation Review Mechanism
ISPs	Investment Service Providers
JIT	Joint Investigation Teams
LC	Largely Compliant
LEA	Law Enforcement Authority
LPLA	Legal Persons and Arrangements
LSI	Less Significant Institution
LSE	Local Branches of Directorate of State Security and Intelligence (<i>Landesamt Staatsschutz und Extremismusbekämpfung</i>)
KG	Limited Partnerships (<i>Kommanditgesellschaft</i>)
ME	Mutual Evaluation
MER	Mutual Evaluation Report
MiCAR	Markets in Crypto-Assets Regulation
ML	Money Laundering
MLA	Mutual Legal Assistance
MoU	Memorandum of Understanding
MVTS	Money Value Transfer System
NC	Noncompliant
NCBC	Non-Conviction-Based Confiscation
NCC	National Coordination Committee
NO	Notaries Act (<i>Notariatsordnung</i>)
NPO	Non-profit Organization
NRA	National Risk Assessment
OE	Obligated Entity
OECD	Organisation for Economic Co-operation and Development
OeNB	Austrian Central Bank (<i>Österreichische Nationalbank</i>)
OG	General Partnerships (<i>Offene Gesellschaft</i>)
OLG	Higher Regional Court
ÖNK	Chamber of Civil-Law Notaries (<i>Österreichische Notariatskammer</i>)
ÖRAK	Austrian Bar (<i>Österreichische Rechtsanwaltskammer</i>)
PACC	Predictive Analysis Competence Centre
PAD	Police Logging System
PC	Partially Compliant
PEP	Politically Exposed Person
PI	Payment Institutions
PF	Proliferation Financing
PKS	Police Crime Statistics

PolKG	Police Cooperation Act
PPO	Public Prosecutor's Office
PPP	Public Private Partnership
PSP	Payment Services Providers
R.	Recommendation
RA	Recommended Action
RAO	Lawyers Act
RAT	Risk Assessment Tool
RBG	Raiffeisen Banking Group
RBS	Risk-Based Supervision
RBI	Raiffeisen Bank International AG
RLB	Raiffeisen Landesbanken
SanktG	Sanktionengesetz 2024
SAR	Suspicious Activity Report
SI	Significant Institution
SIENA	Secure Information Exchange Network Application
SMG	Narcotic Substances Act
SNRA	European Union Supranational National Risk Assessment
SPOC	Single Point of Contact
SRA	Sectoral Risk Assessment
SRB	Self-Regulatory Body
SSM	Single Supervisory Mechanism
StGB	Criminal Code
StPO	Code of Criminal Procedure
STR	Suspicious Transaction Reporting
TCSP	Trust and Company Service Providers
TFS	Targeted Financial Sanctions
TFTP	Terrorist Financing Tracking Program
UCITS	Investment Management Companies
UGB	Uniform Commercial Code
UN	United Nations
UNSCR	UN Security Council Resolution
VA	Virtual Assets
VAG	Insurance Supervision Act (<i>Versicherungsaufsichtsgesetz</i>)
VASP	Virtual Asset Service Provider
VbVG	Act on Corporate Criminal Liability
VerG	Associations Act (<i>Vereinsgesetz</i>)
VStG	Administration of Criminal Law (<i>Verwaltungsstrafgesetz</i>)
WAG	Securities Supervision Act (<i>Wertpapieraufsichtsgesetz</i>)
WiEReG	Austrian Beneficial Ownership Register Law (<i>Wirtschaftliche Eigentümer Registergesetz</i>)
WKÖ	Federal Economic Chamber (<i>Wirtschaftskammer Österreich</i>)
WKStA	Office for Combating Economic Crimes and Corruption

WMD	Weapons of Mass Destruction
WTBG	Working Group for Austrian Public Economy
ZaDiG	Payment Services Act
ZollR-DG	Customs Law Implementation Act

EXECUTIVE SUMMARY

This report provides a summary of the anti-money laundering and counter-terrorist financing (AML/CFT) measures in place in Austria as at the date of the on-site visit June 16–July 2, 2025. This report analyses the level of compliance with the Financial Action Task Force (FATF) 40 Recommendations and the effectiveness of Austria’s AML/CFT system and provides recommendations on how this system could be improved.

KEY FINDINGS

- a. Since the 2016 mutual evaluation, Austria has made clear measurable progress in strengthening its AML/CFT legal and regulatory framework, with all but one of the FATF 40 Recommendations rated either at a largely or fully compliant level.
- b. The authorities also took measures to increase the effectiveness of the AML/CFT framework. Most notable are the improvements related to transparency of beneficial ownership, financial sector supervision, and terrorist financing (TF) investigations. Further down the effectiveness spectrum, the authorities need to prioritize major improvements in relation to investigation and prosecution of money laundering (ML) (where challenges from 2016 remain largely unaddressed), and in supervision of designated non-financial businesses and professions (DNFPB). The operational capacity and resources of the financial intelligence unit (FIU), law enforcement, and prosecution need to be increased, for Austria to be able to effectively investigate and prosecute sophisticated ML cases, including third party, professional, and cross-border ML in line with its risk profile. The legal framework would allow for the seizure and confiscation of criminal assets, yet relevant authorities are unable to demonstrate that criminals are effectively deprived of their proceeds at sufficient levels.
- c. Since 2016, Austria has taken steps to improve its assessment of ML/TF risks, notably through the 2025 National Risk Assessment (NRA), yet a consistent and comprehensive understanding of risk across all sectors is still to be achieved. Risk understanding and mitigation are noticeable stronger in several areas, particularly those under the remit of the Ministry of Finance (BMF) and the Financial Market Authority (FMA) (e.g., non-profit organizations (NPOs), legal persons transparency, and financial sector). Risk understanding remains inconsistent in other sectors, in particular in law enforcement, justice (prosecution and confiscation), and DNFBPs.
- d. A whole-of-government perspective is pending. The national AML/CFT strategy and action plan emphasize broad overarching objectives to strengthen the AML/CFT framework. Missing are risk-based measures aimed at effective implementation, and an agreed common implementation policy with targets, objectives, and feedback loops. The National Coordination Committee (NCC) has advanced key reforms but would benefit from structural enhancements.

- e. The FMA has positively deepened its risk-based, data-driven supervision of the financial sector and virtual asset service providers (VASPs), impacting entities' AML/CFT compliance, making good progress demonstrating a sound understanding of sectorial ML/TF risks and contribution to a substantial level of effectiveness. Its risk assessment methodology should be further improved by more systematically collecting information. The number of inspections of high-risk entities remains low in comparison to other entities, hence authorities should further increase risk-based inspections and strengthen group-wide supervision.
- f. Except for casino supervision, and to some extent for lawyers and notaries, overall DNFBP supervision suffers from major shortcomings, including fragmentation, shortage of resources to effectively undertake supervision, and few remedial actions. Except for casinos, and for lawyers and notaries to some extent, authorities were unable to demonstrate that supervisors and those supervised have an understanding of AML/CFT standards and risks.
- g. The transformation of the Austrian Financial Intelligence Unit (A-FIU) into an intelligence-focused body has improved analytical capacity. Resource constraints and some limitations in its operational independence hinder its effectiveness. The A-FIU's focus on fraud is positive but too narrow in scope and needs to be replicated to other crimes in all high-risk areas to sufficiently address complex or cross-border ML.
- h. Law enforcement agencies (LEAs) do not sufficiently focus on identifying and disrupting ML networks, including with foreign connections. Restrictive interpretations of the ML offense continue to limit investigation and prosecution of standalone and third-party ML cases. This is mainly due to remaining significant legal and operational challenges that practitioners still face when pursuing the ML offense. Some of these challenges had already been highlighted in the 2016 mutual evaluation but remain unaddressed and impact Austria's ability to pursue and convict money launderers.
- i. Austria has developed a solid legal and institutional framework for asset recovery (AR) and international cooperation. In practice, criminals are not deprived of their criminal assets in a significant way. Asset seizures are modest, and confiscation values are low, relative to Austria's risk profile. Use of advanced tools such as FIU suspension powers and non-conviction-based confiscation (NCBC) remains rare, and AR from controls on cross-border cash movements are limited despite Austria's being a cash-intensive economy and transit country. International cooperation outside the EU, in particular regarding the FIU and AR, is not commensurate with the country's position as an international financial center as well as a gateway to the Central, Eastern, and South Eastern Europe (CESEE) countries.
- j. Austria's multi-pronged approach to transparency of beneficial ownership is exemplary and represents a key strength of the AML/CFT system. It ensures timely access to adequate, accurate, and up to date beneficial ownership information, with the Beneficial Ownership Register serving as a central tool for competent authorities. This multi-pronged system provides a very effective tool that should enable A-FIU and LEAs to further support complex

and cross-border investigations in the future. Transparency of legal entities is further positively supported by other appropriate risk mitigating measures, such as the registration of all nominee arrangements, and a focus on high-risk sectors based on good typologies.

- k. Austria recently enacted improved legislation to address delays in implementing UN and EU financial sanctions, including a bridging mechanism and domestic designation powers, which has been implemented successfully for the first time in June 2025. Supervision of targeted financial sanctions remains inconsistent across sectors, with significant gaps among DNFBPs and VASPs, including because of an uneven understanding of the issue. Planned reforms to expand supervision from January 2026 are a very positive development, and effective implementation will be critical. Equally critical will be the sharing of operational intelligence to identify and designate those terrorist and proliferation financiers that meet designation criteria.

Table 1. Austria: Ratings for Effectiveness and Technical Compliance				
	Effectiveness		Technical Compliance	
Risk mitigation through policy, co-ordination and co-operation				
Assessment of risk, coordination and policy setting	IO.1	Moderate	R.1	Largely compliant
			R.2	Largely compliant
International co-operation	IO.2	Moderate	R.36	Compliant
			R.37	Compliant
			R.38	Largely compliant
			R.39	Compliant
			R.40	Largely compliant
Cross-cutting requirements			R.33	Largely compliant
Prevention, detection & reporting of illicit funds across sectors				
Financial sector and virtual asset supervision and preventive measures	IO.3	Substantial	R.9	Compliant
			R.10	Largely compliant
			R.11	Largely compliant
			R.12	Compliant

Table 1. Austria: Ratings for Effectiveness and Technical Compliance (Continued)				
			R.13	Largely compliant
			R.14	Largely compliant
			R.15	Largely compliant
			R.16	Largely compliant
			R.17	Largely compliant
			R.18	Compliant
			R.19	Largely compliant
			R.20	Compliant
			R.21	Compliant
			R.26	Compliant
			R.27	Compliant
Non-financial sector supervision and preventive measures	IO.4	Moderate	R.22	Largely compliant
			R.23	Partially compliant
			R.28	Largely compliant
Transparency and beneficial ownership	IO.5	High	R.24	Largely compliant
			R.25	Largely compliant
Cross-cutting requirements			R.34	Compliant
			R.35	Largely compliant
Detection and disruption of threats, sanctions & deprivation of illicit funds				
Financial intelligence	IO.6	Moderate	R.29	Largely compliant

Table 1. Austria: Ratings for Effectiveness and Technical Compliance (Concluded)				
Money laundering investigations and prosecutions	IO.7	Moderate	R.3	Largely compliant
Asset recovery	IO.8	Moderate	R.4	Largely compliant
			R.32	Largely compliant
Terrorist financing investigations and prosecutions	IO.9	Substantial	R.5	Compliant
Terrorist financing preventive measures and financial sanctions	IO.10	Moderate	R.6	Largely compliant
			R.8	Compliant
Proliferation financing financial sanctions	IO.11	Moderate	R.7	Largely compliant
Cross-cutting requirements			R.30	Compliant
			R.31	Largely compliant
Note: Effectiveness ratings can be either a High-HE, Substantial-SE, Moderate-ME, or Low-LE, level of effectiveness. Technical compliance ratings can be either a Compliant-C, Largely compliant-LC, Partially compliant-PC or Non-compliant-NC. While the technical compliance findings can be relevant across the effectiveness immediate outcomes (for example, R.1 or R.40), the table above illustrates the main technical compliance findings specific to each effectiveness immediate outcome and cross-cutting requirements for each of the intermediate outcomes. For more detail on the relevant technical compliance requirements relevant to each effectiveness immediate outcome, see the relevant paragraph at the beginning of each chapter. See also paragraphs 53 and 54 of the FATF 2022 Methodology for links between effectiveness and technical compliance ratings.				

Risks and General Situation

1. Austria faces a range of ML and TF risks due to its importance as a regional and international financial center as well as a gateway to the CESEE and Commonwealth of Independent States (CIS) countries (and the risks in CESEE and CIS countries that this exposes Austria to). Austria's financial sector, dominated by banks which account for over half of the financial system, is at risk of being misused for ML due to its significant cross-border linkages. Austria is exposed to the illicit activities of organized crime groups laundering their proceeds in Austria through cash-intensive businesses and couriers, money value transfer systems (MVTs), and real estate. The country is also a cash-intensive eurozone economy attractive for the laundering of foreign and domestic proceeds of crime and their investment in high-end real estate and luxury goods.

2. Austria is mainly exposed to ML threats associated with fraud, tax offenses, drug related crimes, organized crime, foreign and domestic proceeds of corruption, and smuggling offenses. The DNFBP, credit institutions (CIs), and MVTs sectors are highly vulnerable to ML. Real estate agents in particular, notaries and lawyers to some extent, as well as trust and company service

providers (TCSPs) are also providing higher-risk services and transactions including company formation, nominee services, and real estate transactions. Legal persons are at high risk of misuse through the creation of opaque ownership structures to hide their beneficial owners.

3. TF risks in Austria mainly stem from well-organized terrorist groups using cultural associations for raising funds destined for third countries via MVTs and hawala or cross-border cash operations. The overall TF risk of the non-profit organizations (NPO) sector is assessed as low, and Austria implements strong risk mitigation measures for the sector.

4. In addition, the growing use of virtual assets (VAs) and Austria's VASP sector present high ML and TF risks, in part due to the fact that supervision of this sector is relatively new compared to supervision of other financial sectors.

Assessment of Risk, Coordination and Policy Setting (Introduction; IO.1, R.1, 2, 33 & 34)

5. Since the 2016 Mutual Evaluation Report (MER), Austria undertook various actions to better identify and assess ML/TF risks, including through the most recent 2025 NRA. Despite these commendable efforts which have contributed to an improved risk understanding with some authorities, a nuanced and consistent ML/TF risk understanding across all competent authorities and a whole-of-government view are yet to be achieved. While the 2025 NRA had a more inclusive and collaborative approach, some key authorities either did not contribute or did so insufficiently, resulting in important gaps in the risk analysis quality. The lack of a comprehensive understanding of transnational threats, the lack of identification of the national vulnerabilities that can be exploited by the various threats, and of the materiality of threats, as well as important limitations in data and other information sources are impediments to the development of an overarching and comprehensive risk understanding.

6. The authorities' risk understanding has improved in a noticeable manner with respect to some key sectors, such as legal persons, NPOs, and financial sector. For other sectors, particularly DNFBPs and certain LEAs, risk understanding is still inconsistent and incomplete, and not in line with risk and context. The authorities should therefore focus on an improved ML/TF risk understanding across sectors, particularly for DNFBPs and most LEAs.

7. The objectives and activities of competent authorities are largely driven by their specific mandate. Several authorities (Beneficial Ownership Registry authority, FMA, Directorate of State Security and Intelligence (DSN) (for TF), and the BMF for NPOs) have successfully integrated identified ML/TF risks into their operational practices and sector-specific guidance, while the activities of the A-FIU and DNFBP supervisors are only to some extent in line with identified risks. LEAs target their investigations mainly on fraud offenses but insufficiently prioritize investigative efforts and resources to address ML and other predicate offenses.

8. Austria adopted a national AML/CFT Strategy and implemented a related action plan. The strategic objectives and action plan measures are not prioritized on a risk basis and are incomplete, reflecting the gaps in risk understanding. Overall, the objectives do not focus on specific resource

allocations, limiting alignment with Austria's risk and context. Despite these shortcomings, the authorities have taken required actions to effectively implement many action plan items.

9. The NCC serves as a domestic cooperation and coordination mechanism on AML/CFT matters and has played a crucial role in advancing key AML/CFT measures. To make the NCC even more effective, it would benefit from changes in its structure and functioning, thereby ensuring consistent input from its members and strengthening feedback loops (including through setting targets). National coordination and cooperation for operational purposes is solid at both formal and informal levels, as well as between the public and private sectors.

International Co-operation (Chapter 2; IO.2; R.36-40)

10. Austria has a strong legal framework enabling international cooperation through a range of formal and informal cooperation instruments, channels, and networks.

11. Considering Austria's regional exposure to organized crime activities, including from and to CESEE and CIS countries, mutual legal assistance (MLA) is not fully consistent with the country's risk profile. MLA is mainly focused on EU member states and on fraud, at the expense of ML and other predicate offenses. AR assistance produces very limited results, in particular with outgoing requests. MLA and extradition requests in ML/TF cases, in particular with non-EU member states and related to a broad range of predicate offenses are limited and should substantially increase.

12. The authorities do not have the necessary analytical tools in place to demonstrate that MLA and extradition efforts are aligned with Austria's ML/TF risk profile. This limits their ability to assess strengths and weaknesses of their international cooperation framework, and to steer their efforts in line with Austria's risk profile and their strategic priorities. Austria should develop and make use of a comprehensive analytical tool to achieve this objective.

13. Similarly, the authorities have not demonstrated effectiveness in AR assistance. The Asset Recovery Office (ARO) is well equipped to trace and locate assets, but the volume of assets seized and confiscated, both at Austria's and foreign countries' requests, is very low. Although authorities have limited control on the incoming requests, they should analyze the reasons why such requests do not result in substantial seizures/confiscations and take the necessary steps to make international cooperation in AR a successful policy.

14. Despite these shortcomings, the central authority is well organized, and MLA with non-EU countries is expedited timely. Feedback received from the global network is generally very good, with foreign authorities describing Austria's assistance as efficient and timely.

15. Informal international cooperation is uneven among competent authorities. LEAs and the judicial authorities make overall effective use of informal cooperation instruments, mainly within the EU. Similarly, the FMA, tax authorities, and Customs have regular exchanges of information with foreign counterparts. The A-FIU disseminates promptly and frequently spontaneous information to

its counterparts and was praised for that by the FATF Global Network but the number of requests for information has sharply dropped down during the reporting period to 40 requests per year in 2024, which is out of line with the country profile. DNFBPs supervisors rarely engage in informal cooperation. A-FIU should more significantly request intelligence abroad and a specific effort should be carried out for DNFBP supervisors to engage in regular information exchanges with their foreign counterparts.

Financial Sector and Virtual Asset Supervision and Preventive Measures (Chapter 3; IO.3, R.9-21, 26, 27, 34 & 35)

16. Market entry controls are, to a large extent, effectively implemented in the financial sector and, more recently in VASPs. The FMA systematically identifies and responds to unauthorized FIs and VASPs, but fines on unauthorized MVTs are limited.

17. The FMA has a sound understanding of the ML/TF risks in the supervised sectors and has steadily increased its capacity to understand and detect ML/TF risks specific to VAs/VASPs. Understanding of corruption risks should be further expanded. It has an appropriate risk profile of each obliged entity (OE), but greater granularity on geographical exposure (where applicable) and high-risk customers is needed, and the methodology should be improved by systematically including OEs' effective implementation of mitigating measures and controls beyond supervisory observations. These shortcomings are said to be addressed in the new EU Authority for AML (AMLA) methodology (2026).

18. The FMA, to a large extent, effectively promotes OEs' understanding of ML/TF risks and AML/CFT obligations through detailed, in-depth guidance and bilateral and sector-wide supervisory engagements.

19. FIs generally have a developed understanding of ML risks related to offshore customers, listed higher-risk jurisdictions, complex structures, and the use of fraudulent companies. This is also reflected in their improving business risk assessments, including group-wide risk assessments at most large FIs with an international presence. Risk understanding, however, of the use of cash, laundering the proceeds of crime through real estate, and corruption beyond politically exposed persons (PEP)-list compliance could be improved. TF risk understanding at CIs includes NPOs, international payments to higher TF-risk jurisdictions, and TFS/TF compliance.

20. Risk understanding among VASPs has been continuously improving since the introduction of sectoral AML/CFT obligations in 2020. Investment service providers (ISPs) and asset managers demonstrated a limited ML/TF risk understanding and do not systematically conduct business risk assessments.

21. FIs and VASPs are generally aware of and understand their basic customer due diligence (CDD) obligations and have measures in place to comply with requirements for enhanced measures regarding PEPs, correspondent banking relationships (CBRs), and high-risk jurisdictions. The application of such measures, however, varies significantly between domestic

institutions and international financial groups, due to consolidated resources and harmonized group-wide policies. Overall, ongoing monitoring, enhanced due diligence (EDD) based upon adequate customer risk assessments, complex beneficial ownership with a non-Austrian nexus, and effective suspicious transaction reporting (STR)/ suspicious activity reporting (SAR) are areas which should be improved further.

22. The FMA has a data-driven supervisory framework that combines onsite and offsite engagements with OEs, which is moderately risk-based due to the limitations of the underlying risk assessments and to the limited share of individual high-risk OEs selected for onsite inspections. Although this number is already increasing and the highest risk sectors (CIs and VASPs) are consistently subject to the most onsite inspections, the FMA should continue prioritizing more higher-risk OEs, particularly high-risk CIs, for onsite inspections.

23. The FMA conducts inspections to financial groups' foreign subsidiaries and branches in the CESEE region. Their number remains low despite Austria's role as a systemically important regional and international financial center and the heightened ML exposure of its financial groups' foreign subsidiaries and branches in the CESEE region. The FMA should further strengthen its risk-based supervisory approach of financial groups' activities in the region, including more annual inspections of CESEE-based subsidiaries and branches commensurate with their risks.

24. The FMA's supervision and monitoring activities have demonstrated a positive effect on compliance of the financial and VASP sectors, and enforcement actions have improved overall awareness among FIs and VASPs.

Non-financial Sector Supervision and Preventive Measures (Chapter 4; IO.4, R.22, 23, 28, 34 & 35)

25. The effectiveness of licensing and monitoring procedures varies across the DNFBP supervisors. The casino sector is subject to effective measures on licensing and monitoring of market entry controls, including the detection of unlicensed activity. All other DNFBP sectors are subject to basic verification procedures, including prior fit and proper assessments for lawyers and notaries and upfront criminal conviction checks for real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and dealers in precious metals and stones (DPMS). These checks are, however, not regularly reviewed; breaches are not effectively detected and addressed.

26. ML/TF risk understanding varies strongly between the different DNFBP supervisors. It is hampered by several factors, mainly by a lack of detailed analysis in the NRA of the specific sectoral risks and the absence of comprehensive supervisory data collected by the different supervisors. While supervisors of casinos, tax advisors undertaking TCSP services, accountants, and notaries and lawyers to a certain extent, have an adequate understanding of main risks, the supervisory authorities for real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS are lacking an adequate understanding of sectoral and entity-level risks.

27. Understanding among the different DNFBPs of their sectoral and individual ML/TF risks is uneven. The high-risk sectors of real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS do not have a sufficient understanding of their sectoral ML/TF/PF risks, which is not in line with Austria's risk and context. Risk understanding among casinos, and to a certain extent notaries, and lawyers is more solid, with weaknesses in the areas of use of cash and fraudulent companies.

28. DNFBPs' compliance with their AML/CFT obligations consequently also varies significantly across sectors. Casinos and notaries have a good understanding of their AML/CFT obligations, while this understanding is at a basic level among the high-risk sectors of real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS. Although not all supervisors are able to provide data on findings, failures were identified in relation to conduct of adequate risk self-assessments, of customer and beneficial ownership identification, of EDD measures and of recordkeeping. These and a very low sectoral level of STR reporting all constitute important shortcomings.

29. Supervision of DNFBPs is fragmented and not currently effectively risk-based and most DNFBP supervisors have only very recently developed a risk-based approach. Not all higher-risk entities are subject to regular on- and offsite supervision and consequently, higher-risk entities should be prioritized for regular engagements, including onsite inspections. Apart from the casino sector, supervisors do not conduct thematic or targeted engagements and are unable to detect systemic and serious infringements. Supervisors' monitoring and outreach activities have not yet effectively improved sectoral compliance and the number of remedial actions applied is low. Supervisory resources in most sectors are inadequate in light of the number of supervised entities and should be strengthened.

Transparency and Beneficial Ownership (Chapter 5; IO.5, R.24 & 25)

30. The authorities have a high level of understanding of the ML/TF risks posed by legal persons (LPs) and legal arrangements (LAs), including by foreign-created entities with sufficient links to Austria. Underpinning this, Austria has conducted a very comprehensive ML/TF risk assessment of LPs and LAs and several independent studies identifying specific abuses of LPs.

31. Austria effectively implements a multi-pronged approach to ensure that competent authorities have timely access to adequate, accurate, and up to date basic and beneficial ownership information.

32. The Beneficial Ownership Register, as the pinnacle of the multipronged approach, plays a very prominent role. The Register is extensively used by competent authorities, which systematically integrate this information in ML/TF and PF-related investigations, including complex and cross-border financial investigations.

33. The Beneficial Ownership Registry Authority implements various effective measures to ensure that the information on record is adequate, accurate and up to date, including in-

depth verifications across the entire ownership and control structure at the time of the creation of a legal entity. Subsequently, legal entities are subject to sophisticated risk-based monitoring. Effectiveness of discrepancy reporting by OEs, an additional tool to supplement the risk-based monitoring, could be further strengthened.

34. As part of the multi-pronged approach, competent authorities also have easy and timely access to beneficial ownership information maintained by OEs and by legal entities themselves, even though the directly accessible registers generally constitute their preferred sources.

35. FIs and DNFBPs have a good understanding of the usefulness of the Beneficial Ownership Register and many of them make adequate use of the system. Some DNFBPs however over-rely on the Beneficial Ownership Register (as a possible shortcut for CDD), which limits the value of OEs as an independent source of beneficial ownership information to some extent. Austria implements various other mitigation measures to effectively prevent misuse of LPs and LAs, including but not limited to measures to detect the misuse of fraudulent companies, transparency measures for nominees, and the prohibition of bearer shares.

36. Austria effectively applies sanctions to both natural and legal persons that are dissuasive and proportionate with the severity and the continuity of breaches to maintain and report beneficial ownership information and in situations where the ownership and control structure is intentionally concealed. Sanctions imposed for failures to update basic information in the Company Register are equally effective.

Financial Intelligence (Chapter 6; IO.6, R.29-32)

37. Since the 2016 MER, Austria has made progress transforming A-FIU from an investigative unit into an intelligence unit focusing on its analytical functions and performing a filtering role. The A-FIU has made substantial progress in automation, data access and mining, and processing of information. Its operational and strategic analysis capabilities suffer however from insufficient resources, and limitations in budgetary and recruitment independence. These shortcomings should be addressed as a matter of priority to allow the A-FIU to increase the effectiveness of its analytical functions.

38. The A-FIU uses a very broad range of information sources, which are largely relevant, accurate, and up to date. STRs reported across all sectors however remain low to very low considering Austria's risk and context, particularly for DNFBPs, and this negatively impacts A-FIU's access to relevant sectoral data underpinning its analysis (Immediate Outcome (IO.) 3 and IO.4).

39. The A-FIU too narrowly focuses on predicate offenses (especially fraud) and its operational analysis does not sufficiently contribute to addressing complex ML cases, involving third-party and professional ML, and TF in line with Austria's risk and context. This is also reflected in the A-FIU's strategic analysis outputs (i.e., insufficient information on ML techniques, networks, *modus operandi*, etc.).

40. The A-FIU's analytical outputs should focus on the main domestic and transnational ML/TF threats to which Austria is exposed and increasingly target complex ML schemes. In addition, the A-FIU's strategic analysis function should be further developed to better identify emerging ML/TF risks, inform AML/CFT policies, and identify trends and typologies in line with Austria's risk and context.

41. The DSN uses and produces comprehensive financial intelligence to inform its TF investigations. While other LEAs and competent authorities use financial intelligence to develop evidence in investigations and the identification and tracing of criminal proceeds, their focus largely remains on predicate offenses rather than ML offenses. There is strong operational cooperation and information exchange among A-FIU, LEAs, and other competent authorities is a strength of Austria's financial intelligence chain.

Money Laundering Investigations and Prosecutions (Chapter 7; IO.7, R. 3, 30 & 31)

42. While Austria has a legal and institutional framework for the identification and prosecution of ML, restrictive interpretations of the ML offense continue to limit the investigation and prosecution of standalone and third-party ML cases. The requirements of a high evidentiary standard of proof, in particular in relation to the *mens rea* elements of a ML offense, cannot *de facto* be implemented in practice. Austria should therefore ensure that the standard of proof does not impede prosecution of the full range of ML offenses.

43. LEAs demonstrate strong expertise and capabilities when investigating ML activities linked to a predicate offense (mainly fraud). But LEAs face significant difficulties in detecting ML in other instances.

44. The overall number of ML investigations and prosecutions is low and should be increased and more fully aligned with Austria's risk profile. ML investigations most often involve low values and are mostly triggered from investigations into predicate offenses and rarely by cross-border controls. The authorities should increase ML cases including complex ML, third-party, and/or professional money launderers, and ML related to a broader range of predicate offenses and ML methods in line with Austria's risk and profile. ML is not prioritized in the criminal justice system, and LEAs', prosecutorial, and judicial resources and tools are insufficient to scale up results. ML convictions have increased over the past years but remain low overall, compared to the number of convictions for predicate offenses.

45. Sanctions imposed for ML are not sufficiently effective and dissuasive. There are no cases where sanctions for ML have been applied against a legal person.

Asset Recovery (Chapter 8; IO.8, R. 1, 4 & 32)

46. Austria prioritizes AR as a policy objective to some extent. The authorities have enhanced the applicable legal framework with comprehensive AR mechanisms and have the required cooperation structures in place. A comprehensive AR strategy at the national level is, however,

lacking, and overall effectiveness of the AR regime is hampered by the insufficient number of investigators and prosecutors, and by the lack of guidance in available AR tools.

47. Austria has applied freezing and seizure measures to a broad range of assets, including in complex cases. Overall, asset seizure values are moderate in light of Austria's risk and context. Seizures seem broadly aligned with Austria's main ML and TF threats, except for corruption. Fraud-related seizures are increasing, but remaining challenges include the seizing of bank accounts and real estate. Austria has not made use of FIU transaction suspension powers which can be a helpful tool to deal with cyber-enabled fraud.

48. Asset confiscation is implemented only to a limited extent. Confiscation and confiscated proceeds have increased but remain low in volume. Application of extended confiscation or NCBC is rare. Competent authorities should pursue confiscation through the mechanisms of extended confiscation, NCBC and confiscation of property of corresponding value, supported by extensive training on these mechanisms.

49. Austria uses asset management tools only to a limited extent and did not demonstrate that it routinely applies these measures beyond mere storage. Seized assets are returned to victims in the course of proceedings, but levels are likely low, and the authorities do not maintain information on the value of returned assets. The enforcement of confiscation, especially related to assets held through offshore structures, remains a challenge.

50. Despite authorities' controls occasionally finding large cash transports in line with Austria's risk profile, these have rarely led to criminal proceedings. In line with the country's risk context, the authorities should increase controls on cross-border cash and BNI movements and ensure a more dissuasive system for seizing and confiscating falsely/not declared or disclosed cross-border currency movements.

Terrorist Financing Investigations and Prosecutions (Chapter 9; IO.9, R. 5, 30, 31 & 39)

51. Austria has a sound legal framework in place to counter TF and is implementing it, to a large extent, effectively, mostly to counter small-scale TF activities representative of Austria's TF risk and context.

52. Austria conducts a substantive number of TF investigations and prosecution broadly in line with its risk profile. These are most often small-scale TF activities involving the transfer of small amounts of cash to help a relative in combat areas. No hawala-type case has been uncovered but the DSN has demonstrated, through one case under investigation, its ability to investigate large-scale TF operations. There are some limitations related to investigators' ability to use advanced investigation techniques. To address those shortcomings, Austria should increase investigative efforts in the identification of networks involving NPOs and/or legal persons and of hawala-types schemes. Austria should consider how remote real-time surveillance of encrypted communications could be authorized by law taking into account fundamental principles of domestic law.

Terrorist Financing Preventive Measures and Financial Sanctions (Chapter 10; IO.10, R. 1, 4, 6 & 8)

53. In early 2025, Austria adopted a new sanctions law providing for a bridging mechanism to mitigate delays in EU transpositions, which was for the first time successfully implemented in June 2025. Prior to that, Austria did not implement United Nations Security Council Resolution (UNSCR) 1267 without delay.

54. Austria has a high level of understanding of the TF risks in its NPO sector, and engagement with the NPO sector is very strong. Austria's risk-based framework for monitoring NPOs is solid and largely mitigates TF risks in line with the TF risk exposure and without disrupting legitimate activities.

55. Understanding and implementation of TF-TFS obligations is mixed across sectors. Financial institutions (FIs), VASPs, tax advisors undertaking TCSP services, public accountants, notaries, and, to some extent, lawyers have a good understanding of their obligations. Real estate agents, other TCSPs, and DPMS do not have an adequate understanding of their obligations and consider them to be risk-based or not applicable to their business.

56. The frequency and scope of the *Oesterreichische Nationalbank* (Austria's Central Bank—OeNB's) supervision of TFS implementation by FIs (except investment service providers and asset managers) significantly improved in mid-2022. In contrast, VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs were not subject to any TF-TFS supervision by DSN, their designated supervisor for implementation of TFS.

57. Substantial changes to the supervision of TFS implementation by all categories of FIs and VASPs will come into effect on January 1, 2026. Starting that date, the FMA will be responsible for TFS supervision of these sectors which is a very positive development considering the effectiveness of the FMA's overall supervisory framework. The DSN will continue to be responsible for insurance intermediaries and all categories of DNFBPs and should, as a matter of priority, start supervising these sectors.

Proliferation Financing Financial Sanctions (Chapter 11; IO.11, R. 7)

58. Austria has effective coordination and cooperation mechanisms in place, both at policy and operational level, to combat PF. DSN and the authorities involved in export control have a sound understanding of PF-related TFS evasion risks and implement effective risk mitigation measures.

59. Austria's implementation of UNSCR 1718 was not without delay during the period under review because Austria relied entirely on the EU transposition framework. The newly created bridging mechanism should now also allow for implementation without delay under UNSCR 1718. Austria did not identify and freeze assets pursuant to UNSCR 1718 during the period under review, which is not consistent with Austria's risk and context.

60. The findings under IO.10 regarding OEs' understanding and implementation of TF-TFS obligations and related supervision equally apply to PF-TFS obligations.

ROADMAP OF KEY RECOMMENDED ACTIONS (KRAs)

61. Austria underwent a Mutual Evaluation of its anti-money laundering / countering the financing of terrorism / countering proliferation financing (AML/CFT/CPF) measures in place during its onsite visit to the country from June 16–July 2, 2025. This evaluation was based on the 2012 FATF Recommendations (as updated from time to time) and was prepared using the 2022 Methodology.

62. The Mutual Evaluation Report identifies the strengths and weaknesses of Austria's AML/CFT/CPF system, including both the level of effectiveness and the level of technical compliance, and recommended actions for improvement. The highest priority measures are identified as Key Recommended Actions (KRA) and are included in this KRA Roadmap.

63. The following presents the KRA Roadmap for Austria as adopted by FATF Plenary in February 2026. Based on Effectiveness and Technical Compliance Ratings, Austria is placed in enhanced follow-up. This KRA Roadmap also serves as the basis for Austria's follow-up process.

IO.1 (Assessment of Risk, Coordination and Policy Setting)

- a. To ensure a whole-of-government view on ML/TF risks, Austria should significantly deepen its understanding of domestic and transnational ML/TF threats and their materiality, including but not limited to corruption, and of ML/TF vulnerabilities. Austria's risk analyses should (i) draw on a more comprehensive range of information and robust data sources (including criminal justice activity and international cooperation), (ii) secure consistent inputs from all relevant authorities and SRBs (to avoid gaps and weaknesses in the analysis), and (iii) ensure an improved and even ML/TF risk understanding across sectors, particularly for DNFBPs, and LEAs.
- b. Austria should demonstrate that such an overarching risk understanding drives and guides the development and prioritization of AML/CFT policies and steers risk mitigation actions and allocation of resources within and across authorities, and collectively. A-FIU, LEAs (except DSN), BMJ, and DNFBP supervisors should further demonstrate that they effectively target their objectives and efforts in line with Austria's risk and context.
- c. Austria should continue strengthening the functioning of the NCC to achieve fully effective results and consistent input from its members, including by considering a review of its membership and functioning, and ensuring it includes all relevant stakeholders with the appropriate technical and operational AML/CFT expertise, and decision-making status. Changes to the NCC should extend to the development of accountability and feedback mechanisms that ensure consistency in the members' commitment and input, and facilitate the development, monitoring, and shared responsibility for joint objectives. This includes

authorities identifying and agreeing on common objectives (both operational and strategic) and agreeing on the specific activities and measurable targets to achieve them, when cross-agency collaboration is required.

IO.2 (International Co-operation)

- a. Austria should substantially increase the volume of outgoing MLA and extradition requests in ML/TF cases, in particular with non-EU member states and in relation to a broad range of predicate offenses.
- b. The authorities should develop adequate analytical tools to maintain and be able to extract comprehensive statistics on both formal and informal international cooperation, including on predicate offenses, countries of origin/destination and type of measures sought and provided in ML/TF and asset seizure and confiscation matters, in order to assess the overall effectiveness of the international cooperation regime and its consistency with the risk profile and strategic priorities.
- c. With regard to AR, Austria should:
 - a. increase the volume of MLA requests sent to identify, trace, locate, freeze, seize, and confiscate criminal and terrorist assets abroad,
 - b. using newly developed analytical tools, assess the causes of the very low volume of assets seized and confiscated at foreign authorities' request, and subsequently demonstrate an increase in the number and value of assets recovered in response to incoming MLA requests

IO.4 (Non-financial Sector Supervision and Preventive Measures)

- a. DNFBP supervisors, except for casinos, and particularly those overseeing real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS, should develop and maintain an up-to-date understanding of the sectoral and individual DNFBPs' risks, namely related to the size, complexity of specific activities and services, cross-border ML/TF risks, and the client base of the sectors they supervise. As a first step, they should gather more comprehensive quantitative data and consider information on contextual factors on each DNFBP's specific ML/TF risks, which should go beyond high-level information already collected through self-assessment questionnaires. Supervisors should have mechanisms in place to ensure consistent data collection and data quality controls.
- b. Austria should continue to promote changes, including ongoing centralizing efforts within the current supervisory framework to allow for the further development and implementation of a consistent and aligned risk-based supervisory approach for the supervision of real estate agents, TCSPs (other than tax advisors), and DPMS at the national level.

- c. DNFBP supervisors, except for casinos, and particularly those overseeing real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS, should enhance the effectiveness of their supervision by:
 - a. having measures in place to ensure that higher-risk entities are subjected to and prioritized for regular engagements, including onsite inspections, and that all entities are given adequate risk-profiles informing on- and offsite supervision.
 - b. increasing supervisory human resources and adequately allocating them for AML/CFT supervision in line with the ML/TF risks identified for each sector, entity, and the number of entities under supervision.
 - c. ensuring that supervised entities improve compliance, notably including identification and reporting of suspicious transactions, through the issuance of sector-specific guidance and the application of remedial measures and proportionate and dissuasive sanctions.

IO.6 (Financial Intelligence)

- a. Austria should ensure that the A-FIU enhances its role in producing financial intelligence that specifically targets ML and TF offenses, including third-party and professional ML, and the main ML threats. The A-FIU should:
 - (i) better align prioritization criteria with Austria's risk and context, to better target the production of its financial intelligence products.
 - (ii) further develop its strategic analysis function to better identify emerging ML/TF risks, inform AML/CFT policies, and identify trends and typologies. Strategic analysis outputs should focus on ML, TF, and target the main domestic and transnational ML/TF threats to which Austria is exposed.
- b. Austria should ensure that LEAs increase the use of financial intelligence, including disseminations by the A-FIU, for the investigation of complex ML schemes, including third-party and professional ML.
- c. As a matter of priority, Austria should ensure that the A-FIU is appropriately resourced and recruits additional staff with extensive analytical and other relevant expertise. In particular, the A-FIU should be permitted to decide independently where to recruit its staff from, including from outside the BKA. Furthermore, appropriate safeguards should be in place to guarantee the A-FIU's budgetary and recruitment independence.

IO.7 (Money Laundering Investigations and Prosecutions)

- a. BMJ and BMI should take the necessary measures to ensure that the standard of proof does not impede prosecution of the full range of ML offenses in line with FATF standards, including by ensuring that:
 - a. a predicate offense does not need to be proven beyond a reasonable doubt in order to prosecute ML, which could include reducing the burden of proof required to establish that property constitutes the proceeds of crime; and
 - b. the evidentiary requirements for proving the intention and knowledge elements of the ML offense do not unduly restrict the effective prosecution of such offense.
- b. BMJ and BMI should ensure that the judiciary and LEAs' interpretations and understanding of the ML offense are aligned with international standards, including by:
 - a. developing formal guidelines drawing on international and domestic requirements for the ML offense and international good practices for investigating and prosecuting it; and
 - b. holding regular trainings.
- c. Relevant authorities should take the necessary measures to ensure that the detection, investigation, and prosecution of ML are consistent with Austria's risk profile. This should result in a significant increase in ML cases including complex ML, third-party and/or professional money launderers, and ML related to foreign predicate offenses, as well as a broader range of predicate offenses and ML methods, such as the misuse of legal persons and the transportation of cash and other high-value commodities.

IO.8 (Asset Recovery)

- a. Austria should ensure that relevant authorities pursue confiscation through the mechanisms of extended confiscation, NCBC, and confiscation of property of corresponding value. This should include providing extensive guidance and intensifying training of authorities on applying extended confiscation and NCBC. Austria should examine the effectiveness of these mechanisms, including through collection of quantitative (including number of applications to the courts and court orders) and qualitative data (including analysis of cases) on the use of these mechanisms to allow an evaluation of their effectiveness.
- b. Austria should take measures to ensure that seizure and freezing measures (including of banking and real estate assets) are used more effectively by law enforcement and prosecutors, resulting in a significant increase in the number of seizures, particularly in the area of major proceeds-generating offenses and in line with its risk profile. This should include clarifying that such measures can be achieved without the need of proving that there is a specific risk that the assets will disperse without such an order. Austria should provide

adequate guidance or procedures to prosecutors, to ensure that pursuing proceeds of crime is systematic, and collect statistics on the use of seizure and freezing measures.

- c. Austria should enhance controls on cross-border cash and BNI movements and, in particular, extend its efforts to include internal EU borders and adjacent areas, in line with risk, and ensure a more dissuasive system for seizing and confiscating falsely/not declared or disclosed cross-border movements of currency/BNI. The country should, in particular, consider applying NCBC to cross-border cash cases where appropriate.

IO.10 (Terrorist Financing Preventive Measures and Financial Sanctions)

- a. Austria should, when relevant, consider using domestic designations under UNSCR 1373 as a preventive or disruptive tool to fight TF and consider such mechanism as an integral part of its CFT strategies.
- b. In line with FATF requirements, the FMA should effectively monitor OEs under its supervision for compliance with TF-TFS obligations with a particular focus on VASPs and by giving priority to higher risk entities. It should issue targeted guidance for VASPs to assist them with the implementation of TF-related TFS and the identification and mitigation of TF risks. The FMA should also ensure effective remediation of identified deficiencies, including by sanctioning cases of non-compliance.
- c. In line with FATF requirements, the DSN should effectively monitor the OEs under its supervision for compliance with TF-TFS obligations with a particular focus on the following sectors: real estate agents, TCSPs (other than tax advisors undertaking TCSP services), DPMS and lawyers, and by giving priority to higher risk entities. The DSN, in cooperation with competent DNFBP supervisors, should issue targeted guidance for all DNFBPs to assist them with the implementation of their TF-related TFS and the identification and mitigation of TF risks. They should also ensure effective remediation of identified deficiencies, including by sanctioning cases of non-compliance.

IO.11 (Proliferation Financing Financial Sanctions)

- a. In line with FATF requirements, the FMA should effectively monitor the OEs under its supervision for compliance with PF-TFS obligations with a particular focus on VASPs and by giving priority to higher risk entities. It should also ensure effective remediation of identified deficiencies, including by sanctioning cases of non-compliance.
- b. In line with FATF requirements, the DSN should effectively monitor the OEs under its supervision for compliance with PF-TFS obligations with a particular focus on the following sectors: real estate agents, TCSPs (other than tax advisors undertaking TCSP services), DPMS, and lawyers, and by giving priority to higher risk entities. The DSN in cooperation with competent DNFBP supervisors should issue targeted guidance for all DNFBPs to assist them with the implementation of their PF-related TFS and the identification and mitigation of PF-

related sanctions evasion risks. They should also ensure effective remediation of identified deficiencies, including by sanctioning cases of non-compliance.

- c. Austria should provide targeted guidance to VASPs, insurance intermediaries, ISPs, asset managers and DNFBPs to assist them with the implementation of their PF-related TFS.

DETAILED ASSESSMENT REPORT

Preface

64. This report summarizes the anti-money laundering / countering the financing of terrorism / countering proliferation financing (AML/CFT/CPF) measures in place as at the date of the onsite visit. It analyses the level of compliance with the FATF 40 Recommendations and the level of effectiveness of the AML/CFT/CPF system and recommends how the system could be strengthened.

65. This evaluation was based on the 2012 FATF Recommendations (as updated from time to time) and was prepared using the 2022 Methodology.¹ The evaluation was based on information provided by the country, and information obtained by the evaluation team during its onsite visit to the country from June 16–July 2, 2025.

66. The evaluation was conducted by an assessment team consisting of:

- Anton BRÖNNIMANN, Money Laundering Reporting Office, Switzerland (law enforcement expert)
- Adriana OLIVEIRA, Central Bank of Portugal (financial sector expert)
- Marijn RIDDERIKHOF, IMF Legal Department (short term expert, financial sector)
- Ivana ROSSI, Senior Financial Sector Expert, IMF Legal Department
- Jean-François THONY, IMF Legal Department (short term expert, legal)
- Mark TOFALL, Federal Ministry of Justice, Germany (legal expert)
- Lia UMANS, IMF Legal Department (short term expert, financial sector).

¹ This evaluation was assessed against the October 2024 version of the 2022 Methodology as this was the methodology in place at the time the country provided its submission on technical compliance.

with the support from the International Monetary Fund (Fund) Secretariat of Richard BERKHOUT, Mission Chief; Pierre BARDIN, Deputy Mission Chief; Luisa MALCHEREK, Financial Sector Expert, Renata TEXEIRA (FATF Secretariat), and Rosemary FIELDEN (administrative coordinator).

67. The report was reviewed by Jaya Roy, National Investigation Agency (India); Nazerke Zhampeiis, General Secretariat of the National Committee for AML/CFT (United Arab Emirates); and Hope Hutchinson, Department of the Treasury (United States).

68. Austria previously underwent a Mutual Evaluation in 2016, conducted according to the 2013 FATF Methodology. The 2016 evaluation and 2017 and 2018 follow-up reports have been published and are available at <https://www.fatf-gafi.org/en/countries/detail/Austria.html>.

69. This last Mutual Evaluation concluded that the country was compliant (C) with 12 Recommendations; largely compliant (LC) with 14; and partially compliant (PC) with 14. Austria was rated C or LC with 5 of the following 5 Recommendations which were triggers for enhanced follow-up during the last round: R.3, 5, 10, 11 and 20).²

70. Based on these results, Austria was placed in enhanced follow-up. Since its 2016 evaluation, Austria achieved 12 technical compliance re-ratings:

- Six Recommendations upgraded from PC to LC: R.1, 2, 22, 24, 25, 29;
- Four Recommendations upgraded from PC to C: R.12, 15, 16, 18; and
- Two Recommendations upgraded from LC to C: R.9, 10.

71. Based on this progress, Austria remained in enhanced follow-up for effectiveness deficiencies.

INTRODUCTION TO MONEY LAUNDERING AND TERRORIST FINANCING RISKS AND CONTEXT

72. Located in central Europe, Austria is a country with a land area of almost 84 000 km² and has a population of approximately 9,2 million. Austria borders eight countries: Germany and Czechia to the north, the Slovak Republic and Hungary to the east, Italy and Slovenia to the south, and Switzerland and Liechtenstein to the west. The capital of Austria is Vienna. German is Austria's

² For the purposes of the report, a country will be placed in enhanced follow-up if any one of the following applies: (a) it has 5 or more PC ratings for technical compliance; or (b) 1 or more NC ratings for technical compliance; or (c) it is rated PC on any one or more of R.3, R.5, R.6, R.10, R.11 and R.20; or (d) it has a moderate level of effectiveness for 6 or more of the 11 effectiveness outcomes; or (e) it has a low level of effectiveness for 1 or more of the 11 effectiveness outcomes.

national language while Croatian, Hungarian, and Slovenian are official languages at a local level in some parts of the country.

73. Austria is a democratic republic established as a federal state comprising nine autonomous states (Bundesländer): Burgenland, Carinthia, Lower Austria, Salzburg, Styria, Tyrol, Upper Austria, Vorarlberg, and Vienna. These Länder exercise all the rights which have not been assigned to the Federation (Bund). The Federal President (*Bundespräsident*) is the head of state, who designates the Federal Chancellor (*Bundeschkanzler*) to exercise all functions that are not assigned to the *Bundespräsident* by the Federal Constitution. The Federation's Legislative power is exercised by the Parliament, which is constituted of two chambers, the Chamber of Representatives (*Nationalrat*) and the Chamber of States (Bundesrat). The *Nationalrat* takes precedence over the Bundesrat except when the rights of the Länder are concerned. Each *Bundesland* also has its own parliament (Landtag) which exercises the legislative powers within its own domestic competence.

74. Austria is a civil law country. The Austrian court system is structured into ordinary courts handling civil and criminal cases and courts of public law. The latter include the administrative court and the constitutional court. The civil, commercial, criminal, and financial law (including tax and AML legislation) are part of the federal legislation and apply throughout Austria.

75. Austria is a member of the European Union (EU) since 1995 and a member of the Eurozone since 1999. It is part of the Schengen Area. Austria is attractive to foreign investors for its access to the EU market and its proximity to the CESEE countries. Its AML/CFT system, as is the case with all EU countries, is shaped to a large extent by the EU legal framework. EU AML/CFT Regulations directly apply in Austria, EU Directives are transposed into Austrian domestic law.

A. ML/TF/PF Risks and Scoping of Higher-Risk Issues

Overview of ML/TF/PF Risks

76. As an important regional and international financial center, as well as a gateway to CESEE countries (and the risks in CESEE that this exposes Austria to), Austria faces a range of ML and TF risks. Austria's financial sector is at risk of being misused for ML due to its significant cross-border linkages. The banking sector, which accounts for more than half of the financial system, is characterized by a large number of entities with assets of approximately EUR 1 trillion. The sector holds³ through its subsidiaries significant market shares in 19 countries, including⁴ in CESEE countries.⁵ Banks serve a varied customer base which also includes high-risk offshore customers and PEPs, as well as foundations. Austrian banks also provide correspondent banking services.

³ FATF, [Mutual Evaluation Report](#) (2016), pp. 5, 15, and 23.

⁴ International Monetary Fund (IMF), Austria: Financial Sector Assessment Program (FSAP)—[Technical Note](#) on Anti-money Laundering and Counter-terrorism Financing (2020), p. 14

⁵ Oesterreichische Nationalbank (OeNB), [Facts on Austria and its Banks](#) (2024), p. 14.

77. Austria is a transit country for the activities of organized crime groups that launder their proceeds in Austria through cash-intensive businesses and couriers, MVTs, and real estate. The groups operate from the CESEE and Caucasian countries, North and West Africa, Asia, and Western Europe. Their areas of activity will often include narcotics and arms trafficking, human trafficking and migrant smuggling, sexual exploitation, illegal gambling, and counterfeiting. The proceeds are often laundered through cash-intensive businesses (such as hotels, restaurants, and cafes), usually with straw men acting as directors and shareholders. Sometimes simpler techniques such as money remittance using straw men (or money mules) will be used.

78. Austria is a cash-intensive eurozone economy, which makes it an attractive destination to launder foreign and domestic proceeds of crime. Cash may be injected into the formal financial system through cash-intensive sectors, money mules, automated teller machines, prepaid cards, or trade-based ML, but may also be directly invested into tangible high-value and high-returns assets, such as real estate⁶ and luxury goods (including DPMS). Cash also circulates through unlicensed MVTs, including hawala. In addition, (trans-)national corruption cases point to proceeds being laundered in Austria.

79. This increases risks in the DNFBP sectors as well as in the banking and MVTs sectors. DNFBPs, in particular real estate agents, notaries and lawyers to some extent, as well as TCSPs (including tax advisors undertaking TCSP services), are also involved in services and transactions that can pose higher risks, including company formation, nominee services, and real estate transactions.

80. The real estate sector is highly vulnerable to ML, particularly through the acquisition of high-end properties, including by PEPs and foreign companies. Complex financing structures, intermediation, manipulation of the appraisal or valuation of a property, and cash are also factors that significantly increase the ML risk. The use of nominee arrangements can also lead to concealment of beneficial ownership of legal entities owning real estate or other assets. Legal persons (in particular, limited liability companies (LLCs)) are at high risk of misuse through the creation of opaque structures and ownership chains involving offshore jurisdictions to hide beneficial owners.

81. Austria faces an increasing threat of religiously motivated terrorism linked to international terrorist organizations and is also exposed to potential threats from “right-wing and left-wing” extremism.⁷ TF risks stem from well-organized terrorist groups using associations promoting cultural purposes as a cover for fundraising through intermediaries and unregulated crowdfunding. These funds are almost exclusively destined for third countries via MVTs and hawala or cross-border cash operations. While a few more complex cases involve the use of (foreign) legal

⁶ Real estate prices in Austria rose sharply during most of the past decade (74% from 2010 to end 2021, compared with 37% for the Organisation for Economic Co-operation and Development (OECD) average), potentially reinforcing attractiveness of the sector as a high-return asset for ML. See IMF, [Article IV Consultation of Austria](#) (2024), and [Selected Issues paper](#) (2024).

⁷ Austrian Ministry of Finance (A-MoF), NRA (2021), pp. 22–23.

persons, Austria issued a NPO risk assessment in 2024, which assesses the overall TF risk of the NPO sector as low while the TF risk of the 80 NPOs potentially exposed to TF was assessed as medium to high. Austria implements strong risk mitigation measures for the NPO sector, and the majority of NPOs also implement a wide range of self-regulatory measures.

82. VAs and VASPs present high ML and TF risks. Austrian VA exchangers participate in the EU markets. Austria has strengthened supervisory measures for VASPs, yet the sector remains particularly exposed to ML/TF risks, in part due to VASPs' complex ownership and control structures and high inherent vulnerabilities.

83. Austria is a source and transit country for goods connected to proliferation of weapons of mass destruction (WMD) and a target for illegal procurement activities and related sanctions evasion. This is due to its highly developed industrial manufacturing sector and the considerable number of local enterprises that are world leaders in manufacturing dual-use goods. The 2025 NRA assesses Austria's PF risk as medium.

Country's Risk Assessment and Scoping of Higher-Risk Issues

84. As part of the EU, Austria is covered by the supranational risk assessments (SNRA) carried out by the European Commission (EC) in 2017, 2019, and 2022. The Austrian authorities participated in and contributed to their development.⁸

85. The NCC at the BMF acts as the co-ordinating authority for conducting and updating the NRA. The work involves relevant public and private sector stakeholders including representatives of all ministries and authorities responsible for combating ML and TF. Austria issued its first NRA in April 2015, followed by the second NRA on May 2021 and the third one in May 2025. The latter extends to PF, LPLAs, and NPOs. A sectoral risk assessment (SRA) for the financial and VASP sectors was finalized by the FMA at the time of the onsite visit to complement the third NRA. The second and third NRAs consider findings of the SNRA by the EC in 2019 and 2022 and follow its methodology to assess domestic risks (IO.1).

86. The 2025 NRA identified fraud as the main predicate offense, followed by tax offenses, drug-related crimes, organized crime, corruption, and smuggling offenses. Commonly detected methods for related ML include fraudulent companies, as well as the use of offshore tax destinations, VASPs, real estate, luxury goods, and hawala.

87. Proceeds of corruption also merit further attention as a potential threat of ML. While foreign and domestic corruption risks were highlighted as medium to high in the 2015 NRA and international corruption cases point to proceeds being laundered in Austria,⁹ the 2021 and 2025

⁸ The next risk assessment under the old EU framework is to be prepared in 2025. Austria will also be involved in the Union risk assessment to be developed according to the new requirements of Directive (EU) 2024/1640 (the "6th AML/CFT Directive").

⁹ A-MoF, National Risk Assessment (2021), p. 17.

NRAs do not specifically assess corruption risks. Considering an increase of reported cases between 2021–2023 and high-profile political scandals in recent years, with some implicating Austria's intelligence apparatus,¹⁰ the volume of domestic proceeds from corruption is unclear.

88. In comparison to the second NRA, the 2025 NRA deepens its risk analysis in some key sectors, such as risks related to LPLAs, NPOs, and the financial sector. Regarding PF risks, the 2025 NRA provides a high-level description of threats and methods of PF and related sanctions evasion but does not include an analysis of key vulnerabilities specific to Austria (section 4.4.2).

Scoping of Higher Risk Issues

89. The issues below contain areas of particular interest to the Assessment Team:

- **National coordination and authorities' ML/TF risk understanding and mitigation measures:** The authorities' ability to mitigate ML/TF/PF risks and risk-based measures was a focus for the assessment team, in particular whether the authorities developed a holistic overview of risks in Austria and a country-wide risk understanding. The assessment team also focused on the transnational aspects of ML/TF/PF and cross-border financial flows emanating from Austria's role as a financial center and transit country. The understanding of ML schemes used to launder proceeds of certain offenses, such as corruption and organized crime, in particular layering via LPLA and integration in the real estate sector, was considered. The assessment team examined how well authorities understand such risks and cooperate and coordinate effectively to prioritize and mitigate them, how well data is collected and used, and how feedback mechanisms are used to assess the effect of mitigation measures. Beyond risk understanding, the assessment team focused on the effectiveness of the policy coordination, including on whether national priorities are effectively followed up on by all stakeholders.
- **FIs' role in an international financial center:** FIs may be exposed to ML/TF and other risks that can affect their reputation and the overall financial stability, including because of concerns related to the AML/CFT controls of foreign branches and subsidiaries. The assessment team focused on AML/CFT group-wide supervision and mitigation of ML/TF and reputational risks, in particular for CIs, and cooperation with foreign supervisors. The assessment team also examined the understanding of ML/TF risks, including at financial group level, the application of (group-wide) risk-based AML/CFT controls by CIs and their efforts to mitigate the ML/TF risks associated with cross-border financial flows, non-resident customers, PEPs, and high net worth individuals (HNWI). Lastly, data protection and financial secrecy provisions, as far as relevant for cross-border public and private sector information exchange, were examined.
- **ML/TF risks related to VAs/VASPs:** The assessment team focused on the authorities' understanding of ML/TF/PF risks related to VAs and VASPs and explored the mitigation

¹⁰ Council of Europe, Group of States Against Corruption, [Fifth round evaluation report on Austria](#) (2022), pp. 9 and 17.

measures taken since regulation and supervision of the sector began in 2020. The assessment team also examined the authorities' efforts to adequately identify and prevent illegal VASP activities. The assessment team considered to what extent VAs have been frozen, seized, and confiscated.

- **Role of legal professions in high-risk businesses:** DNFBPs such as notaries and lawyers are involved in high-risk businesses with a transnational dimension.¹¹ The assessment team focused on the extent to which they contribute to mitigate those cross-border ML/TF risks. This included how well these professionals apply CDD, including EDD measures, to high-risk customers including PEPs and HNWI, source of funds and wealth, and identification of beneficial ownership, implementation of financial sanctions (where required under the FATF Standard), compliance with STR obligations, and whether reporting is consistent with sectoral ML/TF risks. A focus was also placed on AML/CFT supervision and enforcement of sanctions for AML/CFT compliance failures.
- **ML through the real estate sector:** The assessment team examined measures in place to mitigate the higher ML risks identified in the real estate sector. The team focused on the mitigating role of real estate agents and TCSPs (including tax advisors undertaking TCSP services), as well as on investments by complex legal entities owned and controlled by non-residents, PEPs, HNWI and on the use of opaque financing structures. The assessment team also explored to what extent LEAs seize and confiscate proceeds laundered through real estate and identify beneficial owners of real estate owned by (foreign) legal persons.
- **Capacity to effectively identify, investigate, and convict complex financial crimes:** The 2016 MER noted that Austria did not pursue ML in line with its profile as a financial center and transit country. The assessment team focused on the improvements in this area, notably the authorities' efforts and capacity in detecting, investigating, and obtaining convictions on complex or standalone and third-party ML, including in cases involving a transnational dimension, and LPLAs. The assessment team examined whether ML cases with predicate offenses such as corruption, tax fraud, and organized criminal activities are investigated, prosecuted and brought to a conviction and whether confiscation is pursued in line with the country's risk profile. The assessment team sought to understand the practical challenges in investigating and prosecuting third-party ML and foreign predicate cases as the evidentiary standard of proof required to prosecute those cases is high.
- **TF activities:** The assessment team focused on legal and operational challenges faced by LEAs and prosecutors in investigating and prosecuting TF, including complex cases involving (foreign) legal persons and NPOs. This included understanding any limitations in the use of investigative powers and special investigative techniques and their impact on the authorities' effectiveness in pursuing TF offenses in line with the country's increased TF risk. The assessment team also examined challenges that prevent Austria from implementing TF-related UNSCRs without delay

¹¹ A-MoF, NRA (2021), pp. 84–85, 93–94 and 98–103.

and from issuing designation on its own motion, freezing their assets, and they assessed the impact on Austria's efforts to combat TF.

- **Cash-based ML/TF:** The assessment team reviewed mitigating measures for cash-based ML and TF implemented by FIs and DNFBPs, as well as controls and investigations on cross-border cash movements (in and out of Austria and including bulk-cash movements). They examined other risk-based measures, including those taken to promote other means of payment.

90. The following areas of reduced focus were identified:

- The insurance sector only represents a relatively small share of the financial market and only a small number of insurance undertakings offer life insurance, while no increased risk is identified.
- The casino sector is highly centralized through a monopoly by the government and a controlled license system (only two license holders). The sector's overall ML/TF risk is moderate, and AML/CFT supervisory activities have intensified since 2023.
- The accounting sector in Austria (namely public accountants and accountancy professionals) is mostly not directly involved in financial transactions, unless when providing trustee services which do not form part of their core services. Accountants do not play a central role in high-risk business services like company formation, nominee services, and real estate transactions and have risk assessment and mitigation measures in place.
- Austria's NPO sector is small consisting of 1,200 organizations that fall within the FATF definition of NPOs. Austria conducted a comprehensive NPO risk assessment using a very wide range of information sources and concluded that a subset of 80 NPOs corresponding to 0.06 percent of the entire NPO sector are potentially exposed to TF. The overall TF risk of the NPO sector is assessed as low while the TF risk of the 80 NPOs potentially exposed to TF is assessed as medium to high. To mitigate the identified TF risks, Austria has in place sound mitigation measures, which are complemented by a strong self-regulatory regime for the sector.

B. Materiality

91. Austria is one of the most developed countries in the world with a gross domestic product (GDP) of about EUR 481.9 billion in 2024. The most important sectors of its economy in 2023 were manufacturing (17.2 percent), wholesale and retail trade (11.7 percent) and human health and social work activities (7.8 percent). Austria's main export partners are Germany, Italy, and the United States, while its main import partners are Germany, China, and Italy. All financial services that comprise FATF's definition of FIs are provided in Austria, and all DNFBPs are present.

92. Austria has a highly developed and robust financial market, with banking sector assets totaling around 211 percent of GDP. The financial system is dominated by banks that hold 65 percent of financial sector assets. Austria has one of the densest banking and branch networks in Europe and is dominated by the universal banking structure. Austrian banks have a systemic role as a gateway to CESEE countries.

93. Austrian CIs generally provide the full range of banking services, with a focus on retail business. The consolidated balance sheet of CIs is dominated by loans and deposits, which account for more than two-thirds of the sector's assets and liabilities, a reflection of Austrian banks' retail business model in which trading activities play a minor role. Only a few institutions have highly specialized business models.

94. Austria's DNFBP sector is diverse in terms of the number and financial volume of transactions. In Austria, the DNFBP sector comprises real estate agents, TCSPs (including tax advisors undertaking TCSP services), DPMS, dealers in high value goods (DHVG),¹² lawyers, notaries, chartered public accountants and private accountancy professionals (hereafter referred to as accountants), and casinos (Table 3).

95. The assessment team ranked sectors based on their relative importance in Austria, their respective materiality, and ML/TF risks. This approach was applied to assess the effectiveness of implementation of preventive measures by FIs, VASPs, and DNFBPs and informed conclusions and overall ratings.

Financial Sector, VASPs and DNFBPs

Table 2. Austria: Overview of the Number and Size of FIs and VASPs in Austria				
Type of FI	Number of Institutions (as of December 31, 2024)	Balance sheet total in EUR billion (as of January 1, 2025)	Percentage of Share in the Financial Market	Percentage of GDP Ratio
CIs	412	1,021	64	211
<i>Joint stock banks and private banks</i>	36	258	16	53
<i>Savings banks</i>	49	235	15	49
<i>Raiffeisen cooperatives</i>	284	364	23	75
<i>Volksbanken cooperatives</i>	9	37	2	8
<i>Mortgage banks</i>	6	54	3	11

¹² DHVG do not fall under the FATF definition of DNFBPs but are considered DNFBPs in Austria. In Austria, dealers in cars, antiques, cultural goods and art, weapons, and oil all fall under DHVG.

Table 2. Austria: Overview of the Number and Size of FIs and VASPs in Austria (Continued)

<i>Building societies</i>	4	24	2	5
<i>Special-purpose banks</i>	24	49	3	10
<i>European Economic Area (EEA) banks in Austria (freedom of establishment)</i>	665	n/a	n/a	n/a
Insurance Companies	74	133.6	9.2	27.7
Pension Funds	8	28.7	2	6
Investment Funds				
<i>Investment firms (IFs) and investment services providers (ISPs):</i>	62 (IFs) 45 (ISPs)	255	14	49
<i>Investment management companies (UCITS): Alternative investment fund managers (AIFM):</i>	63 ^{1/}	231	n/a	n/a
<i>Thereof real estate investment companies (ImmoKAG)</i>	5	8	n/a	n/a
MVTS		n/a	n/a	n/a
<i>Payment institutions</i>	6			
<i>E-money Institutions</i>	1			

Table 2. Austria: Overview of the Number and Size of FIs and VASPs in Austria (Concluded)

<i>Money Remitters</i>	2			
Securities	123	n/a	n/a	n/a
Insurance Intermediaries	14,645	5	n/a	1
VASPs	13	n/a	n/a	n/a

Note: This table summarizes the number of entities licensed/registered in Austria. For types of FIs subject to the FMA's supervision, please refer to Table 6. Financial Institutions and VASPs—Legislation and Supervisory Authorities.

^{1/} 13 of the 14 UCITS also hold a license under the AIFMG.

96. The assessment team gave the greatest importance to CIs. The financial system is dominated by banks with EUR 1.021 trillion in assets. The historically developed decentralized structure of the banking sector outside of metropolitan areas underwent a consolidation process over the past decades and specifically after the 2008 financial crisis, which reduced the overall number of CIs by more than 45 percent to 412 in late 2024. Still, a large number of independent CIs with a limited local and regional market orientation and size remain. The three largest CIs, ERSTE Group, Raiffeisen Bank International, and UniCredit Bank Austria, together account for over 50 percent of total banking sector assets in the country.

97. Apart from their dominance of the domestic financial market, Austrian CIs have significant cross-border linkages, most notably in the CESEE region. EU CESEE countries account for around 80 percent of aggregated total assets of Austrian banks' CESEE subsidiaries. Owing to the proximity, central location and historical links, Austrian banks embarked on a strong expansion in Eastern Europe.

98. Austria's banking landscape can be divided into broad categories based on legal form and traditional business focus. There are different legal forms of cooperative banks and joint stock companies (i.e., primarily private banks), and different business focuses including savings banks, mortgage banks, credit cooperatives, building loan associations and special purpose banks. The banking sector is also characterized by small and medium-size cooperative and savings banks with universal banking business models. Overall, 78 percent of CIs are part of the cooperatives or savings bank sectors. Domestically, the banking landscape is characterized by three large, decentralized (multi-tiered) banking groups: Raiffeisen, Volksbanken, and Sparkassen.

99. The Austrian Raiffeisen Banking Group (RBG) consists of 284 legally independent undertakings operating on three levels. Two hundred and seventy-five Raiffeisen banks (first tier local banks) own eight Raiffeisen Landesbanken (RLB, second tier state banks) and ultimately the Raiffeisen Bank International AG (RBI, third tier). In 2017, Raiffeisen Zentralbank Österreich AG was merged with Raiffeisen Bank International AG, which also covers the group's foreign branches and subsidiaries. Due to their small size, the Raiffeisen banks as well as six RLB are supervised by the

FMA, while the European Central Bank (ECB) supervises the two largest RLB (RLB in Upper Austria and RLB in Lower Austria) and the RBL.

100. Following a process of restructuring and consolidation from 2015–2017, the Association of the Volksbanken today comprises eight regional Volksbanken, including its central organization, Volksbank Wien AG, and one specialized bank for doctors and pharmacists. Volksbank Wien AG provides a variety of services for the regional Volksbanken and conducts centralized monitoring and risk management. The Volksbanken association with its nine institutions is directly supervised by the ECB.

101. The Austrian Sparkassen (i.e., savings banks) sector is a decentralized network of 49 institutions, which are all part of Erste Group and are consolidated by Erste Group Bank AG. The group comprises 48 Sparkassen, and Bausparkasse der österreichischen Sparkassen AG (building society of the savings banks sector). All CIs belonging to Erste Group are directly supervised by the ECB.

102. Great importance was placed on VASPs. Thirteen VASPs were operating in Austria as of end-2024. Most of them are small entities, but the sector also includes firms such as a Vienna-based start-up valued over USD 1 billion. The FMA took up AML/CFT supervision of VASPs under the Financial Markets AML Act (FM-GwG) in 2020 and the EU Markets in Crypto-Assets Regulation (MiCAR) regime in 2024. Strengthened registration requirements have decreased the number of VASPs from 24 entities in 2022 to the current number. Driven mostly by Bitcoin, Ethereum, and stablecoins like USDT, the total purchase volume in 2024 amounted to EUR 3.2 billion and total sales to EUR 2.5 billion. The top five jurisdictions of customer residence were Germany, Austria, France, Switzerland and Italy.

103. The assessment team considered investment funds (IF) as moderately important. The provision of investment services is primarily dominated by CIs. Apart from traditional banking services such as deposits, current accounts, and loans, Austrian banks generally offer a wide array of investment products and services. In addition to CIs, IFs, and ISPs are licensed to provide investment services such as portfolio management and investment advice. In 2024, 62 IFs and 45 ISPs reported customer assets under management worth EUR 62.8 billion. Most of the 14 investment management companies (UCITS) and alternative investment fund managers (AIFM) as well as the 5 real estate investment companies (ImmoKAG) are owned by Austrian banks. ImmoKAG are the only companies authorized to issue and manage real estate funds subject to supervision by the FMA. ImmoKAG also hold a license under the act governing managers of alternative investment funds (Alternative Investment funds Manager-Gesetz—AIFMG), as real estate funds and special real estate funds are classed as alternative investment funds.

104. Payment services in Austria were also given moderate importance. They are primarily provided by licensed CIs as part of the conventional banking services package. Apart from banks, nine MVTs (six payment institutions (PIs), one e-money institution (EMI), and two money remitters) are licensed in Austria. Currently a total of 1,807 payment services providers (PSPs) from EU countries are offering payment services in Austria via the EU's passporting regime and are

supervised for AML/CFT purposes by their homeregulator. The majority of them offers services via agents, while 26 operate via local branches. Since the end of 2021, the FMA also licenses and supervises crowdfunding service providers in accordance with the European Crowdfunding Service Providers Regulation (ECSPR). In 2024, two crowdfunding service providers operated in Austria. The companies do not hold licenses to provide payment services and are therefore partnering with authorized PSPs.

105. The assessment team placed low importance on the insurance sector. The Austrian insurance sector has gone through a period of consolidation. This led to a 25 percent reduction in the number of firms and a decrease in life insurance business, while the sector continues to establish a large presence in the CESEE region. The life insurance sector still dominates non-life in terms of assets, making up nearly 50 percent of total assets. Currently, 22 insurance companies operate life insurance businesses. The top five companies in the life insurance sector are responsible for approximately 70 percent of premiums. Foreign subsidiaries with significant shares in the market include Italian, German, and Swiss insurers. Similar to Austrian banks, Austrian insurers expanded abroad, particularly in CESEE countries such as Czech Republic and Poland, which account for nearly 51 percent of total CESEE premiums. Due to the early expansion into CESEE countries and owing to the fact that primary insurance markets are predominantly domestic, Austrian insurance groups (e.g., Vienna Insurance Group, UNIQA Group, GRAWE Group, Merkur Group, and Wüstenrot Group) conduct business in CESEE primarily via subsidiaries.

Overview of DNFBPs

Table 3. Austria: Overview of the Number and Size of DNFBPs in Austria		
Type of DNFBP Entities	Number of Entities (as of December 31, 2024, unless otherwise indicated)	Sectoral Revenue/ Transaction Volumes in EUR (for 2024 unless otherwise indicated)
Total number	90,981	
Real estate agents	6,304	9.1 billion
TCSPs (other professionals)	36,621	5.2 billion
TCSPs (tax advisors undertaking TCSP activities)	9061	
DPMS ^{1/}	23,961	Ca. 2 billion
Lawyers (distributed across nine regional bars)	7,138	<i>Number of escrow accounts:</i> 32.973 <i>Volume of escrow accounts:</i> 16.51 billion <i>Average value per escrow accounts:</i> 500,713

Table 3. Austria: Overview of the Number and Size of DNFBPs in Austria (Concluded)

Notaries (distributed across six regional chambers)	540 (as of July 2025) 671 notarial candidates	Notarial deeds: 170,525 Notarial escrow arrangements: 37,439 Average amount: 320,972
Accountants		
Chartered public accountants	3,064	3.9 billion
Private accountancy professionals	4,279	n/a
Casinos	12 land-based casinos 1 online casino	Gross Gaming Revenue: Land-based casinos: 304.5 million Online casino: 213.2 million
^{1/} Austria did not provide separate data for DPMS and DHVG for the number of entities and the sectoral revenue. The data for DPMS therefore reflects the consolidated number.		

106. The assessment team gave the greatest importance to real estate agents, TCSPs (other than tax advisors, also referred to as business consultants in Austria), and DPMS, which are all collectively identified as tradespersons in Austria. In Austria, the trade sector comprised 6,304 real estate agents, 45,682 TCSPs, and 23,961 DPMS, with a revenue of EUR 9.1 billion, EUR 5.2 billion, and EUR 2 billion respectively. The Austrian real estate sector is exposed to ML/TF/PF risks through high-value real estate purchases by PEPs, foundations, or foreign companies, while DPMS face ML/TF risks associated with the use of cash and the absence of legal limits to cash purchases. Supervision of the three sectors is fragmented, spanning 94 different local district authorities (IO.4).¹³

107. Lawyers were considered moderately important. In Austria, there were 7,138 lawyers (105 of whom are established European lawyers and 2,275 trainee lawyers) as of late 2024. They are distributed across the following regional Bars: Burgenland (71), Carinthia (270), Lower Austria (463), Upper Austria (691), Salzburg (437), Styria (599), Tyrol (562), Vorarlberg (253), and Vienna (3,792). Half of all lawyers work as sole practitioners. A further quarter of lawyers work in small structures consisting of up to three lawyers.

108. The assessment team also gave moderate importance to notaries. The Austrian notarial profession comprises 540 notaries and 671 notarial candidates. Approximately 81 percent of notaries work as sole proprietorships, with the remaining 19 percent organized as partnerships. The profession is distributed across six regional chambers: Vienna/Lower Austria/Burgenland (224), Upper Austria (86), Styria (82), Tyrol/Vorarlberg (67), Carinthia (42), and Salzburg (39). Real estate

¹³ In the states of Vorarlberg, Styria, and Upper Austria these have been concentrated into one authority.

transactions are the main service provided by Austrian notaries. In these transactions, notaries are responsible for drafting contractual documents, for land register filings and for transacting real estate purchases as escrow agents.

109. Low importance was given to the gambling sector. There are two types of casino licenses and only two license holders in Austria, one for land-based casinos and another one for online gambling. In 2024, the gross gambling revenue of the 12 land-based casinos amounted to EUR 304.5 million and for the one online casino to EUR 213.2 million.

110. The assessment team also considered the accountancy professions of low importance. In Austria, the accountancy sector includes chartered public accountants and private accountancy professionals. They include 3,064 chartered public accountants (2,061 natural people and 1,003 legal entities) and 4,279 private accountants, 73 percent of which are sole entrepreneurs. The gross revenue for public accountants in 2024 was EUR 3.8 billion (which also included tax advisor revenue). There are no statistics available on gross revenue for accountancy professionals.

Table 4. Austria: Beneficial Ownership Registrations Performed by Relevant DNFBP Professions					
DNFBPs	2020	2021	2022	2023	2024
Notaries	187	304	249	231	271
Lawyers	5,710	7,755	7,841	7,634	7,758
TCSPs	50,532	105,617	112,044	120,428	146,968

Legal Persons and Arrangements

111. The following types of legal persons can be established in Austria: general partnerships (*Offene Gesellschaft*—OG), limited partnerships (*Kommanditgesellschaft*—KG), limited liability companies (*Gesellschaft mit beschränkter Haftung*—GmbH), stock corporations (*Aktiengesellschaft*—AG), flexible companies (*Flexible Kapitalgesellschaft*—FlexKapG), cooperative societies (*Genossenschaft*), private foundations (*Privatstiftung*), associations (*Verein*), and (charitable) foundations and funds.

Table 5. Austria: Numbers and Types of Legal Persons Established in Austria (2020–2024)					
Type of Entity	2020	2021	2022	2023	2024
Limited Liability Company (GmbH)	168,439	178,408	187,565	194,723	201,625
Flexible Company (FlexKapG)	n/a	n/a	n/a	n/a	762
Limited Partnership (KG)	44,366	44,639	44,957	43,176	42,813
General Partnership (OG)	21,268	21,786	22,230	21,845	22,139
Private Foundation (<i>Privatstiftung</i>)	3,033	3,023	2,998	2,975	2,973
Cooperative Society (<i>Genossenschaft</i>)	1,700	1,715	1,765	1,799	1,917

**Table 5. Austria: Numbers and Types of Legal Persons Established in Austria (2020–2024)
(Concluded)**

Stock Corporation (AG)	919	910	918	911	891
Association (<i>Verein</i>)	126,187	128,445	130,812	131,810	134,648
Total	365,912	378,926	391,245	397,239	407,768
Note: Data as of end-December 2024.					

112. LLCs were identified as being most at risk for ML and are therefore considered of the greatest importance. This company form is most commonly used in Austria to pursue commercial activities. A private LLC (GmbH) can be founded by one or more persons and has a minimum capital of EUR 10,000. Shares of LLCs can be transferred relatively easily and quickly, and nominee arrangements are frequently observed in the chain of ownership. In ML schemes, LLCs are often misused to disguise the origin of illicit funds, especially in the construction and trade sectors, with straw men as their directors and shareholders.

113. Private foundations were considered highly important. A private foundation is a specific legal person without owners, members, or shareholders. The founder dedicates funds to the private foundation, which are administered by the foundation's executive board for a specific purpose defined by the founding deed (e.g., granting maintenance to the founder's family members, who are then called beneficiaries). Private foundations are frequently used for investments in real estate and are also more exposed to geographical and cross-border risk, thereby increasing their inherent ML risks. Based on materiality, they carry less weight than LLCs.

114. In addition to LLCs and private foundations, other types of LPs can be created in Austria and are listed below. Except for European companies, European economic interest groupings, and European cooperative societies, they are considered moderately important because of their inherent ML risks.

115. A stock corporation is a form of public LLC in Austria. The total number of stock corporations is 891, of which about 60 are listed for trading on a stock exchange.¹⁴ Listed companies have to comply with capital market legislation.

116. Cooperative societies are corporations without a fixed number of members and without fixed capital and there are 1,917 cooperative societies in Austria. Since January 1, 2025, they can only be established with limited liability, which was already common practice. The purpose of a cooperative society is to assist its members (e.g., farmers, consumers) economically.

117. There are currently 22,101 general partnerships and 42,813 limited partnerships registered in Austria. In a general partnership, all partners are personally liable without limitation to the debts of the partnership. In a limited partnership, there are two different types of partners:

¹⁴ Unless otherwise stated, the figures in this section reflect the status as of end-December 2024.

partners who are liable without limitation and partners whose liability is limited to a certain amount. Partners can be natural or legal persons. There is no minimum capital for partnerships, as there must be always at least one partner who is personally liable without limitation. Partnerships are typically used for small and medium enterprises.

118. A flexible company is a new type of LP that can be created in Austria since 2024, and its materiality was therefore limited in June 2025. The flexible company combines features of the LLC and the stock company, and is designed to be flexible, making it ideal for start-ups and growth-oriented businesses. Its structure is similar to the LLC, with provisions for capital, management, and creation, as outlined above for LLCs.

119. An association is the main legal form for entities pursuing non-profit activities. An association is defined as a voluntary union of at least two persons, organized by statutes, which serves a certain, common purpose other than profit. Among other things, the statutes have to contain the following: name of the association, its seat (must be in Austria), a clear and comprehensive declaration of the purpose, the intended activities and the manner of covering the financial needs, regulations regarding membership, and other information about the organization (e.g., Board of Directors).

120. There are some other specific forms of legal persons provided for in the legislation, such as European companies (*Europäische Gesellschaften*), European economic interest groupings (*Europäische wirtschaftliche Interessensvereinigungen*), and European cooperative societies (*Europäische Genossenschaften*). They are considered less important, as they do not play a significant role in the Austrian business landscape (i.e., 15 European companies, 30 European economic interest groupings, and 4 single European cooperative societies were registered as of the end of 2024).

121. The top five countries of incorporation of foreign legal entities holding shares in Austrian legal persons are, in order of importance: Germany, Switzerland, Liechtenstein, the Netherlands, and the United States.

122. Common law trusts cannot be set up under Austrian law. However, foreign trusts and similar legal arrangements may be active in Austria, as the trustee can, in the name of the trust, establish a business relationship in Austria, manage the trust from Austria, or acquire properties within Austria. Consequently, foreign trusts and similar arrangements with sufficient links to Austria are subject to the Austrian beneficial ownership register law *Wirtschaftliche Eigentümer Registergesetz* (WiEReG).

123. Treuhand contracts are a very common feature of the Austrian economy, but due to their characteristics, these agreements do not qualify as similar LAs in Austria.

Treuhandschaften can be set up as nominee arrangements but in most instances, they are other contractual agreements (i.e., escrow accounts). Treuhandschaften in the form of nominee arrangements are set up to separate the legal and beneficial ownership of shares (fully or partial separation). The Treuhänder has the legal ownership of the shares, exercises the associated voting

rights based on instructions of the Treugeber, and passes dividends on to the Treugeber. These Treuhandschaften in the form of nominee agreements are also all registered in the beneficial ownership registry.

C. Structural Elements

124. As an EU member state, Austria is bound by EU law. EU Regulations apply directly and in their entirety in Austria. EU Directives, which are also binding as to the results to be achieved, are transposed through domestic law.

125. The key structural elements for effective AML/CFT control appear to be present in Austria. Political and institutional stability, accountability, transparency, and rule of law are all present. Responsibility for developing and implementing AML/CFT policy in Austria is shared between relevant authorities whose statutes and roles are well-defined.

D. Background and Other Contextual Factors

AML/CFT/CPF Strategy

126. In 2023, Austria published its national AML/CFT strategy and developed a related action plan to address the ML/TF risks identified in the NRA 2021. The National AML/CFT Strategy and related action plan were adopted by the NCC and the Office of the Minister of Finance in 2023. The 2023 Strategy describes 10 high-level strategic objectives and tracks more than 90 measures aimed at strengthening the national AML/CFT system. The NCC is the main AML/CFT co-ordination mechanism for national-level actions and decisions. There are also mechanisms in place to foster operational cooperation between the A-FIU and LEAs, between AML/CFT supervisors, and with the private sector. The authorities recognize the importance of further updating these documents to reflect the findings of the 2025 NRA and intend to do this upon adoption of the 5th Round Mutual Evaluation Report.

Legal and Institutional Framework

Institutional Framework

127. The main ministries and authorities responsible for formulating and implementing the government's AML/CFT and CPF policies are:

Relevant Authorities with Competence in AML/CFT at the EU Level

- The AMLA is a Union body entrusted with exercising direct supervision over certain FIs, ensuring convergence of supervision for the rest of the OEs, and coordination and support of EU FIUs;¹⁵
- The European Public Prosecutor's Office (EPPO) is responsible for investigating, prosecuting, and bringing to judgment the perpetrators of, and accomplices to, criminal offenses affecting the financial interests of the Union, including ML. In that respect, the EPPO undertakes investigations, carries out acts of prosecution and exercises the functions of prosecutor in the competent courts of the member states, until the case has been finally disposed of;
- The ECB is the prudential banking supervisor in the Banking Union, working together with the prudential supervisory authorities of the participating member states within the Single Supervisory Mechanism (SSM).¹⁶ While not an AML/CFT supervisor, the ECB carries out certain functions which are relevant both to AML/CFT and for prudential supervision purposes, such as granting or withdrawing licenses for all CIs established in the Banking Union and carrying out suitability assessments of members of management bodies of significant CIs. In this context, the ECB cooperates with relevant AML/CFT authorities within the EU/EEA;
- Other EU-level bodies and agencies have a supporting role, including Europol and Eurojust.

Ministries and Co-ordinating Committee

- National Coordination Committee (NCC): The NCC at the BMF is the coordinator for AML/CFT issues and is mandated to draw up an NRA and maintain it updated on an ongoing basis. The NCC also develops and reviews the AML/CFT/CPF Strategy and related Action plan on a national level and issues recommendations for implementation. In 2023, the NCC and the Office of the Minister of Finance adopted the national AML/CFT strategy and approved a subsequent action plan. The NCC's membership includes other relevant ministries, the FMA, the OeNB, and the Ministry of the Interior (BMI) (represented by the A-FIU and the DSN). Supervisors for DNFBPs, and other relevant authorities can be called upon request.
- Federal Ministry of Finance (BMF): BMF is the national coordinator for AML/CFT/CPF issues and the NRA (through the NCC). It is responsible for the proposals of amendments to legislations concerning the regulation and supervision of the financial sector. The Tax and Customs Department within the BMF oversees policies on tax and cross-border movements of currency and BNIs and is responsible for the oversight of NPOs. The Department has the competency of

¹⁵ While AMLA was legally established in June 2024, it has commenced carrying out its tasks progressively under a set-up phase as of July 2025 (with direct supervision starting in 2028). As this start date fell within the onsite visit to Austria (from June to July 2025), AMLA's actions have not formed part of the scope of this mutual evaluation.

¹⁶ The SSM refers to the system of banking supervision in the Banking Union. The Banking Union currently comprises 21 member states: the Euro Area member states and those other member states that establish close cooperation. The SSM itself comprises the ECB and the national supervisory authorities of the participating countries.

proposing revisions of the Customs Law Implementation Act (ZollR-DG) and Fiscal Penal Code (FinStrG). The BMF is also the supervisory authority in matters other than AML/CFT/CPF for casinos and in charge of any proposals of amendments to the GSpG.

- Federal Ministry of Justice (BMJ): BMJ carries out overall responsibility for criminal law (criminal code—StGB and Code of Criminal Procedure—StPO). It is also responsible for regulating the activities of lawyers and notaries as regards to the Lawyers Act (*Rechtsanwaltsordnung*—RAO), Notarial Code (*Notariatsordnung*—NO), and Disciplinary Statute for Lawyers and Trainee Lawyers (DSt). The BMJ is in charge of international cooperation in the context of extradition and MLA. Additionally, it has a statutory role in preparing legal acts relating to legal persons and arrangements (in particular those related to the Company Register).
- Federal Ministry of the Interior (BMI): Public security, criminal investigations and law enforcement are the core functions of the BMI. A-FIU is a police type FIU housed within the BMI. DSN is the police and intelligence units specialised in combating TF. The ARO within the police acts as a coordinator and provider of training in tracing assets abroad using different channels. The Federal Bureau of Anti-Corruption (BAK) is the unit responsible for the prevention of and the fight against corruption.
- Federal Ministry of Europe, Integration and Foreign Affairs (BMEIA): BMEIA covers matters relating to public international law and European law, whether Austria's compliance with international obligations and the negotiation of international treaties, or the coordination of the country's policy for justice and home affairs in international and European levels.
- Federal Ministry of Economy, Energy and Tourism (BMWET): BMWET is responsible for issuing and updating certain regulations and guidance for certain DNFBPs including real estate agents, DPMS, TCSPs (other than tax advisors) and accountants. It is also responsible for preparing legislative proposals under the Trade Act (GewO).

Criminal Justice and Operational Agencies

- The A-FIU: The A-FIU is established to combat ML as required by relevant sectoral legislations as well as TF by receiving and analyzing STRs and other types of reports and information, and disseminating financial intelligence, and by engaging in international cooperation.
- Directorate State Protection and Intelligence Service (DSN): In 2021, the BVT¹⁷ was dissolved and replaced with DSN. The DSN is integrated into the structure of the BMI, as a unit of the Directorate General of Public Security. As the main civilian security agency and intelligence service, the DSN is responsible for state protection and protection against threats emanating from espionage, intelligence activities, and proliferation. The DSN is also responsible for carrying

¹⁷ The former Federal Office for the Protection of the Constitution and Counterterrorism (*Bundesamt für Verfassungsschutz und Terrorismusbekämpfung*).

out related international cooperation functions. Regarding TF, the DSN is responsible for information collection, analysis, and TF prevention. The state protection unit of the DSN acts as criminal police for TF and exercises tasks and powers pursuant to the Code of Criminal Procedure. DSN is also responsible for combating PF, including monitoring of the implementation of both TF- and PF-related TFS by VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs. As of January 1, 2026, authority over the supervision of TFS for VASPs, ISPs, and asset managers will be handed over from the DSN to the FMA. DSN will remain responsible for TFS supervision of insurance intermediaries and all categories of DNFBPs.

- Courts and prosecution authorities: The StPO provides for four different types of courts, depending on the maximum length of the possible sentence. Court rulings in civil law and penal law matters are the exclusive responsibility of independent judges. Judges are appointed by the BMJ based on an objective selection procedure, and senior judges exclusively by the *Bundespräsident*. The public prosecution function is to protect public interest in the administration of justice. This primarily involves conducting investigations, in cooperation with the criminal police, laying charges against persons, and representing the indictment in penal proceedings. Public prosecution offices are separate from the courts and are bound by instructions received from the senior public prosecution offices and ultimately of the BMJ. The General Procurator's Office, set up with the Supreme Court, is directly responsible to the BMJ and does not have the right to issue any instruction to the offices of public prosecution and the offices of senior public prosecutors.

Financial Sector Supervisors

- Financial Market Authority (FMA): The FMA serves as the integrated supervisor of all FIs and their activities. It is an autonomous institution under the law which is placed under direct parliamentary control. Its functions include issuing regulations, granting licenses, as well as supervising and enforcing prudential and AML/CFT requirements. It is responsible for conducting specific AML/CFT examinations in FIs and VASPs, which are under its remit. In late 2024, the scope of the FMA's supervision was extended to include supervision of internal risk assessments, strategies, checks and procedures for the prevention of non-implementation and evasion of PF-related targeted financial sanctions (TFS). Under the Sanctions Act 2024, full authority over the supervision of TFS for FIs and VASPs will be fully passed on January 1, 2026 from the OeNB and the DSN to the FMA. According to the Sanctions Act 2024, DSN will remain responsible for supervision of TFS implementation by insurance intermediaries and DNFBPs.
- *Oesterreichische Nationalbank* (OeNB): Austria's Central Bank monitors FIs (except for ISPs and asset managers) for TFS compliance. In exercising its functions, the OeNB can request necessary information from natural and legal persons to identify and process data; this right also includes the power to conduct onsite examinations and offsite analysis. Under the Sanctions Act 2024, authority over the supervision of TFS for these FIs and VASPs will end on December 31, 2025 and will pass as of January 1, 2026 from the OeNB to the FMA.

DNFBP Supervisors and Self-Regulatory Bodies

- The tax authority is responsible for the supervision of casinos for compliance with AML/CFT requirements.
- Local district authorities: These are responsible for the licensing and prudential supervision of all activities conducted under the GewO for insurance intermediaries and real estate agents, TCSPs, and DPMS. Their function includes checking compliance with AML/CFT measures and issuing remedial actions and administrative sanctions for regulatory breaches.
- Boards of the Regional Bars: These are the responsible authorities for monitoring lawyers' compliance with the professional regulations, including AML/CFT/CPF requirements and measures.
- The Regional Chambers of Civil Law Notaries: This body is the responsible authority for monitoring notaries' compliance with the professional regulations, including AML/CFT/CPF requirements and measures.
- The Chamber of Chartered Public Accountants and Tax Consultants: This body is in charge of monitoring compliance with the legal professional requirements (including AML/CFT provisions) of the public accountants and tax consultants.
- The Austrian Economic Chambers (WKÖ): This body is in charge of monitoring AML/CFT compliance of accountancy professionals. It coordinates and represents the interests of the Austrian business community on a national and international level. It also provides information and advisory services to their members. By law, governments are obliged to consult with the WKÖ on legislative projects and important regulations. Many legal provisions involve the WKÖ in decision-making and administrative procedures and may entrust it with supervisory or regulatory powers.

Legal Framework

128. Austria's AML/CFT legal framework is based on national and EU provisions. Several important changes have been made to the legal framework since the last FATF mutual evaluation in 2016, including: Consolidation of all AML/CFT rules for the financial sector under the FM-GwG in 2017, transposition of the European AML/CFT Directives (EU) 2015/849, 2018/843, and 2019/1153, establishment of the central beneficial ownership register in 2018 under the WiEReG, and related broadened reporting obligations for nominee arrangements in 2025. Austria has also started to transpose EU Directive 2024/1640 (the new 2024 EU AML Package), including through the updates to the FM-GwG on TFS/PF and the introduction of a bridging mechanism to mitigate delays in EU transpositions of TFS under the new SanktG 2024.

129. The FM-GwG transposed the 4th and 5th EU AML Directives (AMLD) and consolidates AML/CFT obligations for FIs and VASPs. The FM-GWG is supplemented by additional acts for financial service providers and VASPs (Table 6).

130. The AML/CFT preventive legal framework for Austria's DNFBP sector, which also includes the implementation of the 4th and 5th Anti-Money Laundering Directives (AMLD), consists of several sector-specific laws: The Gaming Act for casinos (*Glücksspielgesetz*—GSpG), the Trade Act for real estate agents, TCSPs other than tax advisors) and DPMS (*Gewerbeordnung*—GewO), the Lawyers' Act (*Rechtsanwaltsordnung*—RAO), the Notarial Code (*Notariatsordnung*—NO), the Chartered Public Accountants and Tax Advisors' Act (*Wirtschaftstreuhandberufsgesetz*—WTBG), and the Accountancy Professionals' Act (*Bilanzbuchhaltungsgesetz*—BiBuG).

131. Austria's legal framework applicable to legal entities is contained in several statutes. Those include the Austrian Commercial Code (*Unternehmensgesetzbuch*—UGB) and the Commercial Register Act (*Firmenbuchgesetz*—FBG). Each type of legal entity is governed by a specific statute, including the Limited Liability Companies' Act (*GmbH-Gesetz*—GmbH-G) and the Stock Corporations' Act (*Aktiengesetz*—AktG).

132. The Beneficial Ownership Register Act (*Wirtschaftliche Eigentümer Registergesetz*—WiEReG) implements Austria's central Beneficial Ownership Register on legal persons and arrangements.

133. Austria's main provisions on criminal justice matters are set out in the Criminal Code (*Strafgesetzbuch*—StGB), the FinStrG and the Code of Criminal Procedure (*Strafprozessordnung*—StPO). The latter provides the legal basis for AML/CFT co-operation between public prosecutors, LEAs, and the A-FIU. International cooperation on criminal matters is governed by the Extradition and Mutual Legal Assistance Act (*Auslieferungs- und Rechtshilfegesetz*—ARHG), the Police Cooperation Act (*Polizeikooperationsgesetz*—PolKG), and the Federal Act on Judicial Cooperation in Criminal Matters with EU Member States (*Bundesgesetz über die justizielle Zusammenarbeit in Strafsachen mit den Mitgliedstaaten der Europäischen Union*—EU-JZG).

134. Regarding TFS, the Federal Sanctions Act (*Sanktionengesetz 2024*—SanktG 2024) implements UN and EU sanctions and provides a basis for Austria to impose national TFS.

Preventive Measures

135. The AML/CFT Directive¹⁸ sets out AML/CFT preventive rules, including the scope of OEs, provisions on the assessment of risks, CDD measures and record keeping requirements, beneficial ownership transparency requirements, reporting obligations, as well as the powers and tasks of FIUs and supervisors and information exchange and cooperation between

¹⁸ Directive (EU) 2015/849 as amended by Directive (EU) 2018/843 (the "5th AML/CFT Directive").

authorities.¹⁹ Traceability of fund and crypto-asset transfers are regulated under Regulation (EU) 2023/1113 (the Transfer of Funds Regulation (TFR)).

136. After the 2016 MER, AML/CFT provisions in the financial sector were consolidated into a single AML/CFT law in 2017 (FM-GwG) and from 2020 included VASPs. Preventive Measures for DNFBPs are contained across several Austrian laws, as listed below. Austrian AML/CFT provisions for DNFBPs also cover dealers in high-value goods, which fall outside of the scope of the FATF Recommendations.

Supervisory Arrangements

137. Supervision of the compliance of financial institutions (with the exception of insurance intermediaries, i.e., agents and brokers) with regulatory requirements (including AML/CFT) is mandated to the FMA by the FMA Act (FMABG). As an independent, integrated supervisory authority, the FMA is tasked with the regulation and supervision of financial institutions and their compliance with the relevant regulatory laws and regulations as laid down in the various Austrian legislations. This includes supervision of:

- CIs (Department I) in cooperation with the OeNB and the ECB (EU's SSM framework);
- insurance undertakings and pension and corporate provision companies (Department II);
- securities markets, ISPs, VASPs, crowdfunding service providers and investment companies and AIFM (Department III); and
- AML/CFT and combating unauthorized business (Department IV).

¹⁹ A new Regulation and Directive came into force (but not effect) on 9 July 2024 and Directive (EU) 2015/849 will be replaced as follows:

Regulation (EU) 2024/1624 (the "EU AML/CFT Regulation"), covers all preventive rules, including by setting out the scope of OEs and the rules that apply to their internal AML/CFT systems, CDD measures, record keeping requirements, reporting of suspicions to FIUs, as well as beneficial ownership transparency and mitigation of specific risks stemming from anonymous instruments such as bearer shares/share warrants, cash and anonymous accounts. The AML Regulation shall apply from July 10, 2027, except for certain provisions relating to professional football clubs and football agents which will apply on July 10, 2029.

Directive (EU) 2024/1640 (the "6th AML/CFT Directive") sets out the power and tasks of FIUs and supervisors and creates structures for cross-border cooperation and information exchange between authorities. It also includes provisions on the assessment of risks, including a direct obligation on the Commission to assess risks at Union level every four years (and more frequently as needed for specific risks) and on beneficial ownership registers, including directly applicable provisions regarding their interconnection. The 6th AML Directive shall be transposed by July 10, 2027, except for certain provisions related to: (i) access to Beneficial Ownership Registers which will have to be transposed earlier; and (ii) single access points to real estate data, which have a later transposition date.

138. The FMA pursues the following statutory objectives when performing its supervisory activities:

- contributing towards the stability of Austria as a financial market;
- reinforcing confidence in the ability of the Austrian financial market to function;
- while acting in a preventive manner with respect to compliance with supervisory standards; and
- also protecting investors, creditors and consumers alike.

139. The FMA is responsible for performing onsite inspections at FIs and VASPs for AML/CFT purposes, while the OeNB remains responsible for conducting onsite inspections in the context of prudential banking supervision as well as monitoring FIs for TFS compliance. In late 2024, the scope of the FMA's supervision was extended to include internal risk assessments, strategies, checks and procedures for the prevention of non-implementation and evasion of PF-related TFS. As of January 1, 2026, authority over the supervision of TFS for FIs will be fully passed from the OeNB to the FMA while similar authority for VASPs, ISPs and asset managers will be moved from the DSN to the FMA.

Table 6. Austria: Financial Institutions and VASPs—Legislation and Supervisory Authorities

Financial Activity	Type of Financial Institution	AML/CFT	
		Legislation	Supervision
1. Acceptance of deposits and other repayable funds from the public	Credit Institutions	FM-GwG	FMA
2. Lending	Credit Institutions	FM-GwG	FMA
3. Financial leasing	Credit Institutions	FM-GwG	FMA
	Domestic Financial Institutions	FM-GwG	FMA (sanctioning)
4. Money or value transfer services	Credit Institutions/ Payment Institutions	FM-GwG/Payment Services Act (ZaDiG)	FMA
5. Issuing and managing means of payment	Credit Institutions/ E-Money Institutions	FM-GwG/E-Money Act (E-GeldG)	FMA
6. Financial guarantees and commitments	Credit Institutions	BWG	FMA

**Table 6. Austria: Financial Institutions and VASPs—Legislation and Supervisory Authorities
(Continued)**

7. Trading in: (a) money market instruments (cheques, bills, certificates of deposit, derivatives etc.); (b) foreign exchange; (c) exchange, interest rate and index instruments; (d) transferable securities; (e) commodity futures trading.	Credit Institutions	FM-GwG	FMA
8. Participation in securities issues and the provision of financial services related to such issues	Credit Institutions	FM-GwG	FMA
9a. Collective portfolio management	- UCITS ManCos (as Credit Institutions) - Real Estate Investment Fund ManCos (as Credit Institutions) - Severance Fund ManCos (as Credit Institutions) - AIFMs	FM-GwG/ Investment Fund Act (InvFG)/ AIFMG/ ImmoInvFG / BMSVG	FMA

Table 6. Austria: Financial Institutions and VASPs—Legislation and Supervisory Authorities (Concluded)

9b. Individual Portfolio Management	- Investment Firms - UCITS ManCos - AIFMs	WAG (per cross-reference from FM-GwG / InvFG/ AIFMG)	FMA
10. Safekeeping and administration of cash or liquid securities on behalf of other persons	Credit Institutions/ domestic financial institutions	FM-GwG	FMA (sanctioning)
11. Otherwise investing, administering or managing funds or money on behalf of other persons	Credit Institutions	FM-GwG	FMA
	- Investment Firms - Investment Fund & Real Estate Investment Fund ManCos	FM-GwG	FMA
12. Underwriting and placement of life insurance and other investment related insurance (This applies both to insurance undertakings and to insurance intermediaries (agents and brokers))	Life Insurance Undertakings	Insurance Supervision Act (VAG)	FMA
	Insurance Intermediaries	GewO	Local District Authorities
13. Money and currency changing.	Credit Institutions	FM-GwG	FMA
14. Activities related to the exchange, transfer, safekeeping, administration, and/or participation in/provision of financial services related to VAs	Virtual Asset Service Providers	FM-GwG	FMA

Table 7. Austria: DNFBPs—Legislation and Supervisory Authorities

Type of DNFBP	Performed by	AML/CFT	
		Legislation	Supervision
a) Casinos	Casinos (<i>Spielbanken</i>) Internet casinos (<i>elektronische Lotterien</i>)	GSpG ^{1/}	Tax authority
b) Real estate agents	Real estate agents	GewO	Local district authorities
c) Dealers in precious metals	DPMS	GewO	Local district authorities
d) Dealers in precious stones			
e) Lawyers, notaries and other independent legal professionals	Lawyers	RAO/ DSt	Boards of the Regional Bars
	Civil law notaries	NO	Regional Chambers of Civil Law Notaries
	Chartered public accountants	Wirtschaftstreuhandberufsgesetz (WTBG)	Wirtschaftstreuhandberufsgesetz (WTBG)
	Accountancy professionals	BiBuG	BiBuG
f) Trust and company service providers	Business consultants (i.e., TCSPs other than tax advisors)	GewO	Local district authorities
	Tax advisors undertaking TCSP services	WTBG	Chamber of Chartered Public Accountants and Tax Consultants

^{1/} The GSpG (Gaming Act) covers a number of different types of gambling establishments. They are: (1) casinos (*Spielbanken*) covered by Art.21 GSpG, (2) electronic lotteries (*elektronische Lotterien*) covered by Art.12a GSpG, and (3) slot machines halls (*Automatensalons*) and individual gambling installations (*Einzelaufstellungen*) covered by Art.5 GSpG. As the FATF standards do not define the term "casino" it is difficult to make a determination whether "slot machines halls" or even "individual installations" should be treated as casinos for the purpose of the evaluation. For consistency reasons, in this analysis, the approach taken in the previous evaluation of 2016 will be followed whereby only gambling facilities defined as "casinos" (*Spielbanken*) are considered. Besides that, on-line gambling services (including internet casinos) do not fall under the category of casinos (*Spielbanken*), but rather under the category of electronic lotteries (*elektronische Lotterien*).

International Co-operation

140. Due to Austria's geographic location and its role as an important regional and international financial center, Austria serves as a gateway into the western EU and CESEE

countries. The large banking sector and significant cross-border linkages through subsidiaries with significant market shares in the region, coupled with a cash-intensive economy, are conducive to the laundering of foreign and domestic proceeds of crime and their integration into cash-intensive sectors. Notwithstanding this status, the volume of international cooperation on ML/TF is not consistent with the international nature of those offenses.

141. Neighboring countries such as Liechtenstein, Switzerland and Germany, as well as Luxembourg, the Netherlands and Finland, are Austria's most important partners in international cooperation with respect to ML/TF issues. According to the A-FIU's data, most international informal requests came from Germany, Malta, Luxembourg, Slovakia, and Liechtenstein (Figure 1), whereas according to the BMJ's data, Germany, Slovenia, Türkiye, Slovakia, and Poland (Table 9) were Austria's most significant partners for formal cooperation.

142. The BMJ Department V 1 is the designated central authority pursuant to a number of EU and UN Conventions on which Austria heavily relies for providing and requesting MLA and extradition. Bilateral treaties are in place regarding non-EU countries. Other competent authorities such as the A-FIU, BVT, FMA, and tax authorities are well engaged in international cooperation with their foreign counterparts.

ASSESSMENT OF RISKS, CO-ORDINATION, AND POLICY SETTING

The relevant Immediate Outcome considered and assessed in this chapter is IO.1. The Recommendations (Rs.) relevant for the assessment of effectiveness under this chapter are R.1, 2, 33 and 34 and elements of R.15.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Austria has not yet fully demonstrated a nuanced and consistent understanding of its ML/TF risks, and a whole-of-government view is still missing. Since its 2016 MER, Austria undertook steps to better identify and assess ML/TF risks, including through its 2025 NRA. Despite a more inclusive and collaborative approach, some key authorities either did not contribute or did so insufficiently, resulting in important gaps in the risk analysis quality, which hampers the overall risk understanding and mitigation.
- b. Austria has made noticeable progress to better substantiate its risk understanding in some key sectors, such as legal persons, NPOs, and the financial sector (IO.5, IO.10, and IO.3). The level of risk understanding across other sectors and among certain LEAs remains however incomplete, inconsistent, and not in line with the country's risk and context. In particular, the lack of a comprehensive understanding of transnational threats and associated financial flows limits the ability to effectively target efforts in line with risk and context, notably for

certain LEAs. More broadly, the identification and substantiation of risks suffer from important limitations in data and other information sources.

- c. The objectives and activities of competent authorities are largely driven by their specific mandate. Several authorities (Beneficial Ownership Registry authority, FMA, DSN, and BMF for NPOs) have successfully incorporated the results of Austria's risk identification into their operational practices and sector-specific guidance (IO.5, IO.3, IO.9, IO.10, and IO.11). Others (A-FIU and DNFBP supervisors) conduct their activities only to some extent in line with identified risks (IO.6 and IO.4). LEAs are successful in investigating fraud offenses but insufficiently target investigative efforts and resources to ML and predicate offenses other than fraud (IO.7).
- d. Austria adopted a national AML/CFT Strategy based on the 2021 NRA findings and implemented a related action plan. The strategic objectives and action plan measures have not been prioritized based on the level of risk and are incomplete, reflecting the gaps in the risk understanding. Overall, the objectives do not focus on specific resource allocations. Despite these shortcomings, authorities have taken required actions to properly implement many action plan items, albeit with different levels of effective results. The DSN successfully implemented internal CFT strategies.
- e. Austria established a formal domestic cooperation and coordination mechanism, the NCC, which has played a crucial role in advancing key AML/CFT measures, although it would benefit from changes in its structure and functioning to achieve fully effective results.
- f. Austria demonstrated solid capacity for national coordination and cooperation for operational purposes at formal and informal level. Co-operation and coordination between Austria's public and private sectors are a strength.

Key Recommended Actions (KRA)

- a. To ensure a whole-of-government view on ML/TF risks, Austria should significantly deepen its understanding of domestic and transnational ML/TF threats and their materiality, including but not limited to corruption, and of ML/TF vulnerabilities. Austria's risk analyses should (i) draw on a more comprehensive range of information and robust data sources (including criminal justice activity and international cooperation), (ii) secure consistent inputs from all relevant authorities and SRBs (to avoid gaps and weaknesses in the analysis), and (iii) ensure an improved and even ML/TF risk understanding across sectors, particularly for DNFBPs and LEAs.
- b. Austria should demonstrate that such an overarching risk understanding drives and guides the development and prioritization of AML/CFT policies and steers risk mitigation actions and allocation of resources within and across authorities, and collectively. A-FIU, LEAs (except DSN), BMJ, and DNFBP supervisors should further demonstrate that they effectively target their objectives and efforts in line with Austria's risk and context.

- c. Austria should continue strengthening the functioning of the NCC to achieve fully effective results and consistent input from its members, including by considering a review of its membership and functioning, and ensuring it includes all relevant stakeholders with the appropriate technical and operational AML/CFT expertise, and decision-making status. Changes to the NCC should extend to the development of accountability and feedback mechanisms that ensure consistency in the members' commitment and input, and facilitate the development, monitoring, and shared responsibility for joint objectives. This includes authorities identifying and agreeing on common objectives (both operational and strategic) and agreeing on the specific activities and measurable targets to achieve them, when cross agency collaboration is required.

Other Recommended Actions

- a. Austria should ensure that an even understanding of ML/TF risks across sectors includes thorough understanding of the linkages between proceeds of certain crimes, preferred ML methods and sectoral vulnerabilities to strengthen the implementation of risk mitigating measures.

Overall Conclusions on IO.1

143. Despite good efforts to identify and assess ML and TF risks (including through the 2025 NRA), the authorities did not demonstrate a nuanced, consistent, and holistic understanding of ML/TF risks. Important shortcomings in Austria's risk understanding limit the authorities' ability to effectively mitigate ML/TF risks and have therefore been weighted heavily.

144. While the NRA exercises have undoubtedly contributed to raising awareness of some ML/TF risks, particularly at certain sectoral levels (IO.5, IO.10 and IO.3), risk understanding demonstrated in other sectors remains inconsistent and incomplete and not in line with risk and context. Major improvements in the identification and understanding of ML risks are required, particularly, in relation to the scope of domestic threats, transnational ML threats and associated cross-border financial flows, national vulnerabilities, and the risk exposure of certain DNFBP sectors (i.e., real estate agents, TCSPs (including tax advisors undertaking TCSP services), and DPMS). National policies, strategic objectives and action plan measures, are not yet prioritized based on the level of risk.

145. Several competent authorities have successfully incorporated the results of risk identification into their operational practices (IO.5, IO.10, and IO.3). However, the lack of a comprehensive understanding of transnational threats and associated financial flows limits certain LEAs' ability to effectively target their efforts in line with risk and context. Current efforts heavily weight fraud offenses, to the unjust exclusion of other ML threats to which Austria is exposed and which are insufficiently targeted. In addition, the framework, particularly for prosecutions, constitutes an impediment to the prioritization of cases in line with risk and context.

146. The NCC has played a crucial role in advancing key AML/CFT measures although changes in its structure would contribute to further enhancing its effective functioning and to ensure consistency in the members' inputs. Austria should be commended for its sound operational co-operation and coordination in some areas, while still needing significant strengthening in feedback loops in others.

147. Austria is rated as having a Moderate level of effectiveness for IO.1

B. Immediate Outcome 1

Country's Identification, Assessment and Understanding of Its ML/TF Risks

148. Since its 2016 MER, Austria undertook steps to better identify and assess ML/TF/PF risks,²⁰ including through its 2025 NRA. Austria finalized its first, second, and third NRA in April 2015, May 2021, and May 2025, respectively. A separate SRA on NPOs was published in 2024 and further updated for inclusion in the 2025 NRA. An SRA for the financial and VASP sectors was being finalized by the FMA at the time of the onsite visit to complement the third NRA. The second and third NRAs consider the findings of the European Commission's (EC) SNRA updated in 2019 and 2022 and follow its methodology for assessing Austria's domestic ML/TF risks.²¹ With regards to domestic risks, the NRA is largely consistent with the SNRA and includes brief explanations of similarities and discrepancies. In contrast to the SNRA, the NRA does not include a thorough analysis of Austria's cross-border risk. The NRAs are published on the BMF website and widely disseminated to OEs through AML/CFT supervisory authorities, public-private partnerships (PPPs), and via A-FIU's GoAML tool that reaches all OEs registered with A-FIU.

149. Austria demonstrated some progress towards developing a more coordinated approach to the understanding of ML/TF/PF risks. The second and third NRAs were led by the AML/CFT NCC under the leadership of the BMF. The BMF played a vital role in coordinating the risk analyses and engaging with and gathering input from both public and private sector stakeholders at various stages.

150. Contributions by some key competent authorities remain insufficient, thereby significantly affecting the quality of the risk analyses. Some authorities, like A-FIU, BMI/DSN, the FMA and other sectoral supervisors participated very actively and demonstrated to a certain extent ownership of their quality outputs. In contrast, other key stakeholders such as the BMJ, including public prosecutors, did not contribute substantively to the risk analysis, which suffers from gaps in the use of criminal justice data related to IO.2, IO.6, IO.7, and IO.8. For instance, in the absence of substantive contributions from the BMJ and the judiciary, the risk analysis did not focus on structural

²⁰ PF risk understanding is assessed as part of IO.11 (core issue 11.2).

²¹ The authorities reported following the EC's 2017 SNRA staff working document (2017) 241 final, dated June 26, 2017, specifically Part 2. This document refers to assessing ML and TF risks affecting the internal market, including cross-border risks.

shortcomings that appear to hinder effective ML/TF prosecutions and may result in relevant ML/TF vulnerabilities (IO.7). Similarly, input from LEAs was inconsistent with no input from BAK, leaving the ML threat from corruption under-assessed. Structural gaps in risk identification therefore remain considering these authorities' key role in the AML/CFT regime and Austria's risk and context.

151. Regarding ML/TF risk understanding, Austria made significant progress to better substantiate its risk analysis in some key sectors. This is reflected in a robust understanding of risks related to LPs and LAs (IO.5), NPOs (IO.10) and, to an overall sound extent, to the financial sector (IO.3). This is in line with risk and context, considering the materiality of the financial sector, role of LPs and LAs for ML and NPOs for TF (Introduction). The strong level of understanding of those sectoral risks is evident within the relevant competent authorities in these areas, as well as within DSN. However, most other authorities did not demonstrate sufficient familiarity with those findings despite their impact on the national ML/TF risk landscape.

152. The level of risk understanding demonstrated in other sectors remains inconsistent, incomplete, and not in line with risk and context. Supervisory authorities for casinos, notaries, accountants, and, to some extent, lawyers demonstrated a reasonable and nuanced understanding of the ML/TF risks in their sector. In contrast, other DNFBP supervisors (i.e., for real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS) failed to provide granularity in the analysis of their sector-specific vulnerabilities and did not demonstrate that they understand how the various ML/TF threats materialize in their sector. The lack of risk understanding is also observed at supervised entities level with real estate agents consistently stating that the sector is not at risk for ML/TF/PF. This is of particular concern considering that the NRA is clearly indicating that the sector continues to be attractive for both ML and PF. This was also confirmed through cases presented by LEAs.

153. Similarly, some LEAs did not show a nuanced understanding of the ML threats to which Austria is exposed. For instance, LEAs could not clearly articulate Austria's exposure to domestic and transnational corruption threats, nor how proceeds from corruption are laundered in Austria. While the Criminal Intelligence Service (CIS) showed a reasonable understanding of the drug-trafficking threat and the volume of generated proceeds, their level of understanding of associated ML risks did not seem proportionate.

154. The authorities did not demonstrate a comprehensive understanding of transnational threats and associated financial flows. With a few exceptions, they could not clearly and cohesively articulate which are the main national and transnational ML/TF threats and vulnerabilities. The Beneficial Ownership Registry authority is one exception with a sound risk analysis of foreign Legal Persons and Legal Arrangements (LPLAs) (IO.5). The FMA is—to a slightly lesser extent—another one, with an SRA that would however benefit from additional granularity in relation to corruption risks in Austria and FI's exposure to cross-border crime proceeds (IO.3). Other authorities, including A-FIU, LEAs (except DSN), BMJ, and DNFBP supervisors, did not show a clear understanding of those risks and their activities are insufficiently targeting such threats. Those gaps are important considering Austria's risk and context.

155. More broadly, the identification and substantiation of risks suffer from important limitations in data and other information sources. The main data sources for the ML threat analysis are STRs and police statistics on criminal investigations registered in the police logging system (PAD). However, the reliability of STR data for a comprehensive assessment of risk is affected by the very uneven reporting across sectors, the relative low number of reports (IO.3/IO.4) and the fact that STRs mainly focus on detected fraud cases. In addition, the PAD system does not allow to determine which are the specific ML predicate offenses. Predicate crimes investigated by specialized authorities,²² including but not limited to BAK were not included. Overall, the risk analysis did not consider the materiality of the ML and TF threats and the relative importance of identified sectoral risks (and their adequate prioritization) based on the materiality of sectors.

156. Limitations in both the coordinated approach and the risk analysis continue to affect the authorities' capacity to develop a whole-of-government understanding of ML/TF risks. The risk analysis approach evidenced inconsistent input and quality of analysis among individual authorities and did not result in a broader outlook beyond their specific area of expertise. In addition, the lack of identification of the national vulnerabilities that can be exploited by the threats identified in the risk analyses is an additional impediment to the development of an overarching and comprehensive risk understanding.

ML Risks

157. Across the board, all authorities identified fraud as the main ML threat, and most of them referred to methods/vulnerabilities such as the misuse of legal persons (i.e., fraudulent companies—IO.5), the real estate sector, and VAs, which aligns to some extent with the NRA findings. Other predicate offenses such as tax offenses, social benefit fraud, drug-related offenses, corruption and smuggling offenses were often not mentioned by authorities while both Austria's Federal Criminal Police's (BKA) crime reports and the NRA highlight the importance of these crimes in Austria.

158. Most authorities did not demonstrate an adequate understanding of the linkages between proceeds of certain crimes, preferred ML methods and sectoral vulnerabilities. While lawyers, notaries, and some TCSPs (including tax advisors undertaking TCSP services) are involved in the creation and transfer of domestic LPs and offer nominee services, their supervisors (except for notaries, tax advisors undertaking TCSP services, and to some extent, lawyers) did not demonstrate an understanding of how their sectoral vulnerabilities may be exploited for ML (e.g., fraudulent companies—IO.5). Similarly, while A-FIU, LEAs, and prosecutors referred to the real estate sector as high risk for ML, real estate agents, and their supervisory authorities were unable to elaborate on the sector's vulnerabilities and its specific exposure to ML threats.

159. Limited data and lack of comparability across time constrain the authorities' capacity to identify evolving trends in ML risks, resulting in an absence of enhanced understanding of

²² Please see NRA 2025, page 16.

the evolving ML risk landscape. While the three NRA exercises offer some recurrent data analysis, such as the analysis of possible ML predicate offenses related to STRs, and the most likely predicate offenses in ML investigations, there is no dedicated analysis of how those threats and vulnerabilities evolve over time. During the onsite visit, the authorities mentioned new and increased risks emanating from VAs and digitalization, particularly new forms of payment systems and online fraud schemes, as well as the interconnectivity of actors. However, most authorities did not show an understanding of the progression of these phenomena over recent years.

160. There is no country-wide understanding of ML/TF threats resulting from foreign predicate crimes. Some authorities referred to Austria's transit role and the Financial Sector chapter of the NRA refers to Austria being an international banking center traditionally attractive to foreign customers. However, the authorities were unable to provide encompassing views on Austria's current standing in the international movement of criminal proceeds, or to identify specific risks associated with cross-border flows. Most authorities referred to a decreased exposure to CESEE financial flows, yet this was generally linked to the measures taken at the EU level in 2022, with regards to Russian sanctions related to the war in Ukraine, which do not relate to, nor affect, other parts of CESEE. They acknowledged challenges in the identification of proceeds of foreign crimes, limiting their understanding of how these foreign proceeds are being laundered in or through Austria.

TF Risks

161. Overall, competent authorities showed a relatively good understanding of TF risks, while DSN's TF risk understanding is excellent. DSN provided concrete examples of TF threats and methods. Austria assesses its TF risk as high, linking it to the large and active communities from relevant countries living in Austria, that have strong social and financial connections to their home countries. The highest threats of TF are linked to the Islamic State Khorasan Province, Muslim Brotherhood, and North Caucasian groupings. The Islamic State is considered a medium threat of TF. Al Qaeda and Takfirist (Western Balkans) are considered a low threat. Despite the limitations of the underlying data to substantiate the materiality of the TF threat level for each group and the fact that the third NRA confuses TF and terrorist threats, the DSN adequately elaborated on these threats and their materiality. In addition to the NRA, federal law enforcement and intelligence authorities also develop confidential TF situation reports.

162. The DSN demonstrated a comprehensive understanding of TF methods, identifying legal sources, such as donations, earned income, social welfare, and legitimate business activities. It also identified the misuse of NPOs as fronts for fundraising and crowdfunding to finance terrorism, especially through unregulated platforms. These findings from intelligence and TF investigations were integrated in the NPO risk assessment which considered NPOs exposure to various TF threat scenarios. In addition to the use of cash couriers and hawala to move funds discreetly across borders, the authorities highlighted that VAs are increasingly being used for TF purposes due to pseudonymity and ease of cross-border transfers.

163. The financial sector, particularly CIs, PIs, and the VASP sector and their supervisor, showed a robust understanding of TF risks, guiding them in the implementation of preventive measures.

National Policies and Activities to Address Identified ML/TF Risks

164. Following its 2016 MER, Austria adopted a national AML/CFT Strategy based on the 2021 NRA findings and made efforts to implement a national action plan. The National AML/CFT Strategy and related action plan were adopted by the NCC and the Office of the Minister of Finance in 2023. The authorities recognize the importance of further updating these documents to reflect the findings of the 2025 NRA and intend to do this starting in 2026. The 2023 Strategy describes 10 high-level strategic objectives and tracks more than 90 measures aimed at strengthening the national AML/CFT system.

165. The strategic objectives and action plan measures have not been prioritized based on the level of risks. As seen above, the risk analysis did not consider the materiality of the ML and TF threats and the relative importance of identified sectoral risks based on the materiality of sectors. The Strategy and related Action Plan focus on strengthening the AML/CFT framework, with overarching measures such as enhancing coordination, improving STR reporting, strengthening supervision, among others. Some of the objectives, such as improving suspicious activity reporting or enhancing cooperation between authorities and the private sector, contribute to addressing risks but remain high level. For instance, a high-level objective aimed at improving STR reporting is not necessarily targeted to sectors that show less reporting.

166. The overarching objectives also reflect the shortcomings in the risk understanding and are incomplete. There are measures aimed at key predicate crimes identified like fraud; but no targeted actions for other predicate crimes, such as drug trafficking, or organized crime. Cross-border risks or other risks such as trade-based ML, or trading of high-value goods also lack targeted actions. In addition, despite BMF efforts, engagement from the authorities has been uneven, as per in the NRA exercise, with limited substantive input from the BMJ and BAK. This is reflected in the lack of objectives related to strengthening vulnerabilities in the criminal justice domain and the fact that the BMJ is assigned with one of the lowest number of action plan items. Overall, the objectives do not focus on specific resource allocations, and resources and timelines for action plan items are determined by the implementing authority, in line with its mandate and based on its overall budget allocation.

167. The authorities have taken required actions to properly implement a majority of action plan items but with mixed results. Implementation against timelines is monitored and periodically discussed by the NCC and, so far, 70–80 percent of the action plan items have been successfully completed. One of the success stories is the NPO risk assessment with targeted risk mitigation measures already implemented (IO.10). In addition, FMA's measures to improve its risk-based supervision (RBS) have also proven to be successful (IO.3). However, not all actions taken have yet produced sufficient results. For instance, while A-FIU has further improved its engagement with OEs (including through issuance of notices and PPPs), and STR reporting is steadily increasing, the

number of STRs remains low to very low across all sectors (IO.3/IO.4/IO.6). DNFBP supervisors have taken initial steps towards RBS, but intensification of efforts is still required (IO.4). Measures to improve asset confiscation remain, to a large extent, unaddressed (IO.8).

168. The strategic objectives focusing on strengthening the fundamentals of the AML/CFT framework to align them with AML/CFT Standards have been largely completed. For instance, additional measures to further increase the scope and quality of beneficial ownership information in the Beneficial Ownership Register have been adopted, and implementation is already ongoing (IO.5). Austria also strengthened its TFS legal framework (R.6/R.7).

169. Austria has adopted other domestic strategies and policy documents, which are generally successfully implemented. Examples are the overall national security strategy, DSN's Strategy on prevention of radicalization, the DSN's Strategy for countering TF by associations, and policies and guidelines setting out cooperation and exchange of information between the DSN and A-FIU. There are relevant AML/CFT strategies at ministry level, such as the strategy of BMF's AML/CFT coordination unit delineating its yearly objectives. Relevant strategies and policies are subject to monitoring of implementation and regular review.

Exemptions, Enhanced and Simplified ML/TF Measures

170. All relevant FIs, VASPs, and DNFBPs are required to implement AML/CFT measures, and Austria has not granted any wholesale exemptions from AML/CFT requirements. FIs, VASPs, and DNFBPs must apply enhanced and simplified measures in line with ML/TF risks (R.1/IO.3/IO.4). Austria draws enhanced and simplified measures from the EU AML Directive, EU SNRA, Austria's NRAs, and sector-specific risk assessments. Austria has not applied enhanced measures that go beyond the FATF and EU requirements. The assessment team's findings are based on: Austria's AML/CFT regulatory framework; risk assessment products; and discussions with authorities and the private sector.

Objectives and Activities of Competent Authorities and SRBs

171. The objectives and activities of competent authorities are driven by their specific mandate and are generally in line with the identified risks in the SNRA, NRAs, and particularly SRAs. Shortcomings to a comprehensive understanding of domestic and cross-border risks identified above, limit LEAs' ability to target their efforts effectively in line with the country context. In addition, the legal framework, particularly for prosecutions, constitutes an impediment to the prioritization of cases in line with identified risks and the country context (IO.7).

172. Several competent authorities have successfully incorporated the results of Austria's risk identification²³ into their operational practices and sector-specific guidance. As an example, BMF established a dedicated unit on ML/TF Prevention in charge of overall domestic

²³ Note the limitations in risk identification set out above.

coordination in strategic, policy, and international matters, including the coordination of the NRA. BMF also created a dedicated Beneficial Owner Registry Authority for the management of the Beneficial Ownership Register, thereby responding to the ML/TF risks associated to LPs and LAs. The Beneficial Owner Registry Authority in cooperation with other competent authorities identified risks associated to fraudulent companies and introduced comprehensive mitigation measures (IO.5). Other authorities have also established dedicated AML/CFT teams, including in response to identified ML/TF risks, such as the Chamber of Civil-Law Notaries and the Fraud Intelligence Unit within the BKA.

173. A-FIU plays an important role in the analysis of Austria’s ML/TF threats and implements its FIU functions to some extent in line with identified risks. While A-FIU prioritizes the analysis of STRs based on a risk-scoring system, the prioritization criteria heavily weight fraud offenses and other ML threats to which Austria is exposed are insufficiently targeted (IO.6). While A-FIU has also started to develop studies on ML typologies and trends more recently, the identification of topics for strategic analysis suffers from uneven levels of reporting and quality of reports across sectors. Credit should nevertheless be given to A-FIU’s efforts to issue notices to OEs. The latter have been proven to be effective in triggering STRs in strategically important fraud cases therefore preventing fraud scams with international ramifications.

174. The FMA continuously refines its risk understanding, including through its 2025 SRA, to support its RBS (IO.3) while DNFBP supervisors took initial steps to develop an RBS strategy (IO.4). At the time of the onsite visit, except for casinos, DNFBPs’ supervision on a risk-sensitive basis is at a nascent stage and over-reliant on self-assessment questionnaires completed by DNFBPs themselves.

175. The DSN prioritizes its work based on its very comprehensive assessments of both TF and PF risks. The findings of these confidential internal reports, which are continuously updated, allow DSN to ensure that its objectives and activities stay fully aligned with evolving risks (IO.9/IO.11).

176. LEAs have been effective in detecting and conducting investigations into fraud offenses but insufficiently target investigative efforts and resources to ML and other predicate offenses (IO.7). Financial investigations are conducted by default for all proceeds generating offenses, but insufficient attention is being paid to ML offenses. An overwhelming majority of cases relate to fraud while Austria equally faces various other important ML threats. Efforts to investigate and detect proceeds from foreign predicate offenses remain scarce reflecting an inadequate understanding of transnational risks. Insufficient resources, limited training, and lack of feedback within the judiciary, prosecution, and BMJ hinder these authorities’ capacity to target resources and set policies and priorities in line with ML/TF risks.

National Coordination and Co-operation to Develop and Implement Policy

177. Austria effectively established formal domestic cooperation and coordination mechanisms, including to enhance the development and implementation of policies. The formal mechanisms described below constitute crucial efforts for policy coordination.

178. Austria established the NCC which, under the leadership of the BMF, has played a fundamental role in advancing key AML/CFT measures. Those include the coordination of the NRAs, the National Strategy, and related Action Plan, as well as other initiatives to develop legislation to improve compliance with international standards (e.g. AML/CFT preventive measures, legislation to ensure transparency of LPs and LAs, and recent improvements to the TFS legal framework). The NCC is chaired by the BMF and comprises members from BMJ, BMI, BMEIA, BMWET, FMA, and OeNB. Through their membership, these ministries represent various AML/CFT/CPF competences and authorities. In some cases, ministries delegate NCC representation to competent authorities within their remit (i.e., BMI delegated to A-FIU and DSN). The NCC meets around three times a year and covers international, EU, and national strategic and policy matters.

179. The NCC's functioning does not currently include stakeholders from all ministries and competent authorities with sufficient technical experience and decision-making authority. This does not allow for consistent commitment and input from all relevant authorities. The current high-level representation at ministry level does not ensure that practical and technical AML/CFT expertise, which the NCC needs to meet its objectives, is available. Furthermore, the representatives to the NCC might not have the decision-making authority, which, at times, results in unnecessary delays and inconsistent input in policy development or implementation. These challenges became evident during the various NRA exercises and the elaboration of the AML/CFT Strategy.

180. Building on the NRA, the NCC should be used for collective and bilateral policy and operational coordination and feedback. National accountability mechanisms to ensure consistency in the members' inputs, outputs, and commitments are currently limited and would contribute to further increase the effectiveness of the Austrian AML/CFT system. The NCC provides the institutional basis for an excellent policy and operational platform for agencies to build on the risk understanding and develop, monitor, and mutually agree on joint objectives, annual performance, and collaboration or output targets between authorities, collectively and bilaterally. As the risk assessment changes over time, said arrangements and the collective regular feedback can support maintaining the common understanding of emerging ML/TF risks that the country is facing (as well as filling the gaps in the current risk understanding).

National Coordination and Co-operation for Operational Purposes

181. Austria demonstrated capacity for national coordination and cooperation for operational purposes in some areas. The authorities shared extensive information and practical examples demonstrating reliance on formal and informal communication and cooperation mechanisms to support operational objectives, but in other areas, cooperation and information exchange is limited, notably within the Justice apparatus.

182. Coordination seems particularly seamless among BMF, A-FIU, DSN, other parts of BMI, and FMA, but BMJ and prosecutors are less effective in their coordination role. The flow of information among BMF, A-FIU, DSN, other parts of BMI, and FMA to support their operational activities is ensured by several effective mechanisms, predominantly informal. A-FIU collaborates closely with LEAs and supervisory authorities, including SRBs (IO.6). There is no structured process by prosecutors for the coordination of all services involved in TF/ML investigations, and coordination is limited to supervision of individual investigations by DSN/local branches of the DSN (LSEs) and Police units (IO.7/IO.9). Information flows between prosecution and BMJ is insufficient, including regarding new jurisprudence (which BMJ is not necessarily made aware of) and the lack of feedback loops because of a missing case management system (a recommended action from the 2016 MER still pending). These shortcomings in operational coordination present additional challenges further limiting Austria's capacity to successfully prosecute ML offenses (IO.7).

183. The authorities demonstrated the close operational cooperation between the DSN, A-FIU, and other competent authorities in complex financial investigations through several case examples. These examples cannot be published due to the sensitive nature of ongoing investigations.

184. Operational coordination also uses formal mechanisms and the DSN and A-FIU also established formal coordination mechanisms to support their operational activities, including through the signature of a memorandum of understanding (MoU). The Intelligence and Policy Coordination Meeting (IPCM) provides a forum for quarterly meetings between the DSN and A-FIU to discuss specific topics and cases on an operational and strategic level. The DSN and A-FIU can also involve representatives of other investigative authorities, public prosecutors, and court representatives, as needed for individual cases. There is also institutionalized cooperation and exchange of information between the DSN and the nine police directorates at state level.

185. Another example of very effective regular operational coordination are the meetings between the Beneficial Owner Registry Authority and the FIU, DSN, AML/CFT supervisors, and LEAs. These meetings are intended to discuss operational challenges in the identification of beneficial ownership information and functionalities of the Beneficial Owner Register to ensure that competent authorities can easily and swiftly consult the Beneficial Owner Register (see dedicated web-applications referred to in IO.5).

186. The working group established by the Ministry of Economy, Energy, and Tourism (BMWET) is an effective mechanism for the operational coordination of supervision of trade persons even though RBS is only at a nascent stage. The group meets approximately four times per year and discusses AML/CFT issues such as the importance of RBS, results of the (S)NRA to inform RBS, ML/TF risk questionnaires for supervised entities, the development of an overarching supervisory strategy, and detailed checklists for supervision.

187. Coordination with the private sector through PPPs (except the one for VASPs, which was not yet fully operational) was consistently highlighted as a strength contributing to competent authorities' efforts to achieve operational objectives. Austria has several PPPs which

contribute to enhancing ML/TF risk understanding by OEs and should ultimately result in improvements in the identification and reporting of STRs. The PPPs proved effective in supporting the NRA process, including by raising awareness on ML/TF/PF risks. Both competent authorities and OEs highlighted the usefulness of PPPs even though the PPP with the DNFBP sector has not yet resulted in notable increases in STRs. The PPP with the NPO sector has produced excellent results (IO.10).

INTERNATIONAL CO-OPERATION

The relevant Immediate Outcome considered and assessed in this chapter is IO.2. The Recommendations relevant for the assessment of effectiveness under this chapter are R.36-40 and elements of R.9, 15, 24, 25 and 32.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Austria has a strong legal framework in place and provides foreign countries with good quality and timely MLA and extradition. This assistance is mainly focused on EU member states, and MLA with third countries is much more limited. Further, there is no evidence that Austria is effective in international cooperation for predicate offenses other than fraud. Given Austria's exposure to organized crime activities and to CESEE and CIS countries, MLA is not fully consistent with the country's risk profile.
- b. As pointed out in the 2016 MER, Austria lacks analytical tools to provide a basic analysis of international cooperation provided or received in ML and TF matters, regarding its geographical distribution, involved predicate offenses, the type and nature of the assistance, and the volume of assets seized and confiscated. This deficiency limits its ability to pilot ML and TF policies and align priorities and resources with the nature and volume of offenses.
- c. LEAs and the BMJ have an effective system in place to register, follow up, and prioritize incoming and outgoing MLA and extradition requests. They provide regular international cooperation training to prosecutors and investigators (albeit not focused on ML/TF). Feedback received from the FATF's global network describes the assistance provided as of good quality and timely.
- d. Austria has not demonstrated effectiveness in AR assistance, and it was unable to substantiate results through data and/or representative case studies. Despite the efficient action of the ARO to trace and locate assets, the volume of assets seized and confiscated, both at Austria's and foreign countries' requests, are very low. Austria has signed only one asset-sharing agreement and, outside the EU, has shared assets on only one occasion.
- e. Austria requests MLA in 1 out of 10 ML investigation/prosecution cases and even less in TF matters, which is not consistent with the international nature of ML and TF. To support

outgoing MLA requests, the authorities make effective use of informal cooperation. Requests for extradition in ML/TF matters are also very limited in volume.

- f. LEAs, DSN, and ARO, as well as the Anti-Fraud Unit of the Tax authority actively exchange information, including ML/TF-relevant data, while the bulk of information exchange lies with EU members. The Interpol channel is barely used in such matters, and incoming and outgoing requests are channeled through the Secure Information Exchange Network Application (SIENA) system and outside Europe, through direct informal contacts between investigators. A-FIU is proactively disseminating spontaneous information, but the number of requests sent to foreign partners has dropped down significantly during the period under review to 40 requests in 2024, which is hardly commensurate with the country's risk and context.
- g. The FMA is active in exchanging information with its counterparts, but available data does not allow analysis of the type of information exchanged. DNFBP supervisors have limited exposure to international cooperation, other than participation in conferences and EU expert groups.

Key Recommended Actions (KRAs)

- a. Austria should substantially increase the volume of outgoing MLA and extradition requests in ML/TF cases, in particular with non-EU member states and in relation to a broad range of predicate offenses.
- b. The authorities should develop adequate analytical tools to maintain and be able to extract comprehensive statistics on both formal and informal international cooperation, including on predicate offenses, countries of origin/destination and type of measures sought and provided in ML/TF and asset seizure and confiscation matters, in order to assess the overall effectiveness of the international cooperation regime and its consistency with the risk profile and strategic priorities.
- c. With regard to AR, Austria should:
 - a. increase the volume of MLA requests sent to identify, trace, locate, freeze, seize, and confiscate criminal and terrorist assets abroad,
 - b. using newly developed analytical tools, assess the causes of the very low volume of assets seized and confiscated at foreign authorities' request, and subsequently demonstrate an increase in the number and value of assets recovered in response to incoming MLA requests

Other Recommended Actions

- a. DNFBP supervisors should develop operational cooperation with foreign counterparts, in line with risk and context, to routinely exchange information on actors and activities where

appropriate, with the aim to better exercise their supervisory role in preventing ML and TF within their sector.

- b. The A-FIU should make a more effective use of international intelligence and information by more significantly requesting information from its foreign counterparts to inform its analytical process.

Overall Conclusions on IO.2

188. Austria's law enforcement and justice systems provide timely and good quality MLA to foreign counterparts, and have an effective system in place to register, follow up, and prioritize requests. Feedback received from FATF/FATF-style regional body (FSRB) members is broadly positive, both regarding the quality and the timeliness of assistance provided. Informal cooperation by other competent authorities is also said to be very active and effective, in particular, FMA, ARO, and the Tax Administration, but this could not be confirmed because of the lack of statistics provided. In addition, there is insufficient data to assess whether informal cooperation had a positive impact on the effectiveness of formal cooperation.

189. Major improvements are required for MLA and extradition. Austria has not demonstrated effectiveness in seeking international cooperation regarding predicate offenses beyond fraud. More generally, lacking the appropriate analytical tools that allow to extract relevant information from raw data, Austria has not demonstrated that MLA and extradition sought and provided are consistent with Austria's risk profile, neither has it shown that the volumes of assistance in ML/TF matters and extradition are consistent with the international nature of those crimes. Furthermore, Austria has not demonstrated effectiveness in seeking or providing assistance from/to non-EU countries in AR matters.

190. The lack of analytical tools and statistics hinder the ability of the BMJ to align priorities and resources for international cooperation with the nature and frequency of offenses, and more generally to fully pilot ML and TF policies in line with risks. A-FIU does not adequately request information from foreign counterparts to support the development of financial intelligence. The exchange of informal cooperation by DNFBP supervisors is generally limited to the participation in international working groups and conferences.

191. Austria is rated as having a Moderate level of effectiveness for IO.2.

B. Immediate Outcome 2

192. Austria has a strong legal framework to enable international cooperation. It is a party to all major international conventions and has fully implemented their provisions. There is an adequate legal basis for MLA and extradition as well as for seizing and confiscating illicit proceeds. Existing laws allow LEAs, A-FIU, and prosecutors, as well as AML/CFT supervisors, to use a range of informal cooperation channels and networks to exchange information, including in support of formal cooperation. Austria's formal international cooperation is based on two different regimes.

Outside the EU, cooperation is based on traditional MLA and extradition instruments, including among other bilateral agreements.²⁴ Within the EU, Austria benefits from an array of formal and informal cooperation instruments.²⁵

193. As a regional and international financial center and gateway to CESEE countries, Austria maintains a broad network of cross-border linkages. It includes most countries of the EU, CESEE, and CIS countries, but also some countries of the Western Hemisphere and Asia. ML and TF are transnational by nature, and Austria is concerned as a country of destination of illicit proceeds, as a transit country as well as the country of origin of the criminal proceeds. The need for a strong international cooperation system, formal and informal, is therefore crucial.

194. The authorities do not have the necessary analytical tools in place to demonstrate that MLA and extradition efforts are aligned with Austria's ML/TF risk profile. Statistics kept are not exploited to identify the main predicate offenses for international cooperation requests, and there are no statistics either on the type or nature of assistance provided or requested. This situation raises an issue as to the ability of BMJ to pilot ML and TF policies and align priorities and resources with the nature and volume of offenses. In that regard, Austria failed to implement the recommended action in the 2016 MER.²⁶

195. Austria's international cooperation is mainly focused on fraud. Through exchanges with various authorities, including during the onsite, and feedback received from FATF/FSRB members, fraud was identified as the main predicate offense for ML in international cooperation. The most frequently identified types of fraud²⁷ are cybercrime, online fraud, and investment frauds using email scams or the internet. Such schemes are mostly cross-border (i.e., victims in Austria, proceeds laundered in Austria, or offenses committed in Austria with victims outside Austria or proceeds laundered abroad). However, failing to provide relevant data providing details on underlying predicate offenses, Austria has not demonstrated effectiveness in seeking and providing assistance for predicate offenses other than fraud.

196. The BMJ has a dedicated central authority to deal with non-EU members requests, while requests between EU members and countries with specific agreements or conventions are received/sent directly by Public Prosecutor's Offices (PPOs) at court level. Within the PPOs,

²⁴ Austria has signed 15 bilateral agreements in MLA matters (Australia, Bosnia and Herzegovina, Canada, China, Cuba, Israel, Japan, Kosovo, Liechtenstein, Montenegro, Northern Macedonia, Switzerland, Serbia, and the United States) and 17 in extradition matters (Australia, Bahamas, Bosnia and Herzegovina, Brazil, Burundi, Canada, the Democratic Republic of Congo, Kosovo, Liechtenstein, Montenegro, Northern Macedonia, Pakistan, Paraguay, Ruanda, Switzerland, Serbia, and the United States).

²⁵ The European Arrest Warrant (EAW), the European Investigative Order (EIO), Joint Investigative Teams (JITs), EUROJUST, or EUROPOL.

²⁶ After the onsite visit, the authorities indicated that they had decided to introduce a project to improve the collection and analysis of statistical data available in the BMJ. This project is yet to be implemented.

²⁷ Austria's criminal offense of fraud is very broad offense and encompasses several criminal activities, including embezzlement, misappropriation of funds, or cybercrime.

there are no specialized units or individuals in charge of international cooperation, except at the Vienna PPO where there is a unit with seven specialized prosecutors. In other PPOs, incoming MLA and extradition requests are distributed to line prosecutors evenly. There are no formal guidelines or manuals to assist line prosecutors with international cooperation, but the intranet of the judiciary includes relevant practical information and the competent Department at the BMJ provides real-time advice by phone and email. There is no specific training on ML/TF-related cooperation, while the issue may be addressed during general training events.

197. The authorities provided very scarce information and very limited statistical analyses on MLA and extradition. They explained that statistical data for MLA are retrieved through the automated case management system at the PPO level. Data is entered manually by clerks and quality and reliability of data, especially in terms of presenting statistics by type of offense, is rather limited. This also impacts Austria's effectiveness with IO.1 (risk understanding).

198. LEAs have built up a strong system for informal international cooperation, especially at the European level. They have issued several guidelines²⁸ on EU police cooperation, and on the establishment, organization, and operation of the central contact point for EUROPOL. These guidelines are complemented by a handbook for liaison officers to support joint investigations, and a decree for cross-border surveillance. Training of police officers on international cooperation issues is adequate.

199. Feedback by FATF and FSRB members about Austria's commitment to and execution of formal and informal cooperation is very good, except for asset-sharing cooperation. Countries cooperating frequently with Austria on MLA/extradition matters commended the country for the quality and timeliness of the assistance provided. They also pointed to Austria's clear understanding and application of procedures. Some noted Austria's refusal to share assets confiscated on its territory.

Providing Constructive, Timely and Quality Mutual Legal Assistance and Extradition

Providing Evidence and Locating Criminals

Volume and nature of MLA

200. Austrian judicial authorities routinely provide MLA in criminal matters, most often by providing account and other financial information, search and seizures, and telecom/internet provider information. Austria receives a total average of 5,000 MLA requests per year in criminal matters and refuses around 100 of them. During 2020–2024, Austria received 662 ML/TF-related foreign requests.

²⁸ Called decrees on "international security and criminal police administrative assistance—international correspondence."

Table 8. Austria: Statistics on Incoming MLA Requests

		2020	2021	2022	2023	2024	Total
Total MLA requests	Incoming	1,250	5,554	5,429	5,285	5,655	23,173
ML-related MLA requests	Incoming ML	112	128	100	151	138	629
TF-related MLA requests	Incoming TF	17	4	2	6	4	33

201. Around 81 percent of incoming requests are European Investigation Orders (EIOs) from other EU member states. This means that an average of 20 ML/TF-related requests per year come from non-EU countries. Authorities explain the relatively low number of such requests by the fact that a lot of informal exchange of information is taking place at investigative level without the need to follow up with formal MLA requests. However, even if informal cooperation could to a certain extent replace formal MLA, the volume of international cooperation with non-EU countries is very low in consideration of its risk profile.

Table 9. Austria: Top 10 Countries for Incoming Requests for MLA in Criminal Matters

MLA with EU countries			MLA with non-EU countries	
Germany	7,225		Türkiye	1,951
Slovenia	2,325		Switzerland	772
Slovakia	1,555		Liechtenstein	483
Poland	1,511		Serbia	263
Hungary	1,417		Bosnia Herzegovina	211
Czech Republic	1,415		Russian Federation	117
Romania	744		Ukraine	116
Italy	397		USA	100
Bulgaria	353		North Macedonia	71
Croatia	348		Georgia	52

Note: Data relate to incoming requests 2020–2024 for MLA in all matters, extradition and transfer of proceedings.
Source: BMJ

202. There are no available statistics on countries of origin in ML/TF matters, but the authorities consider that ML/TF cooperation follow the same geographical distribution as cooperation in other matters.

203. The breakdown of MLA per country in all criminal matters shows that MLA overall, reflects Austria's close relations to Eastern European countries and Türkiye, and its very close economic, financial, and cultural/social links with Germany and Switzerland. There is no statistical data regarding ML/TF and/or predicate offenses cited in requests received nor on the type of measures requested. This limits the ability to determine whether assistance provided is consistent

with Austria's risk profile in terms of the most relevant predicate offenses with cross-border aspects, the type of assistance, including investigations (searches, hearing of witnesses, etc.) provided, or the volume of AR-related requests.

204. During the assessment period, the average time needed to respond to MLA requests has been steadily reduced, from 55.21 days in 2020 to 37.37 days in 2024. The average duration of one-and-a-half months for the execution of MLA requests and EIOs is notable. Most of the MLA requests are EIOs, which are generally executed within short time frames due to the direct contacts among EU authorities and the time limits imposed by EU regulations. Almost all FATF/FSRB members which provided feedback reported that MLA requests were generally executed in a timely manner. The EU report on the implementation of the EIO²⁹ confirms that EIOs are executed by Austria within the established time limits.

205. Austria has an effective system in place to register and prioritize non-EU MLA requests. MLA requests may be sent by diplomatic channels or to the BMJ's central authority. Once registered in the central electronic case management system, incoming requests are immediately sent to the competent PPO for processing, with an indication of the time limits for their execution. If the requesting country has marked its request as urgent, it is specifically mentioned in the transmission by the central authority. The electronic case management register allows the BMJ to monitor the execution of the request and send automatic reminders to the PPO.

206. Clear information on requirements and contact information for Austria is provided, within the EU, via the EJN Atlas. Outside the EU, the UN register of central authorities contains the contact details of the central authority within the BMJ. The authorities also cooperate through the Council of Europe's Committee of Experts on the Operation of European Conventions on Co-operation in Criminal Matters. There is otherwise no information on requirements and contact details available for online consultation by requesting states.

207. Austria deals appropriately with confidentiality issues. In some instances, because of the coercive nature of the measure requested, prior notice must be given to the concerned person to allow them to exercise their rights. In such cases, Austrian authorities reach out to the requesting state to inform it of difficulties associated to such requirement with a view to find a solution.

208. Austria's refusal rate is very low. The authorities indicated that out of the 662 MLA requests in ML/TF matters received during the period under review, only 6 requests were rejected, usually on the ground of lack of dual criminality or *ne bis in idem*. Feedback from the global network was more nuanced on the refusal rate, but there was an indication that Austria, when refusing, was always assisting in finding alternative solutions.

²⁹ Evaluation report on the tenth round of mutual evaluations on the Implementation of the European Investigative Order, Report on Austria, Council of the European Union 8494/1/24 REV 1

209. Feedback from the global network on MLA provided by Austria is generally very positive. There is unanimity among respondents in commending the quality of the assistance provided by Austria. Some issues were nevertheless raised, such as Austria's inability to assist with encrypted data surveillance, to hear a suspect via videoconference during the trial phase, and the high thresholds for some advanced investigative techniques, such as listening devices or access to encrypted end-to-end communications. Two respondents to the feedback questionnaire indicated that Austria did not always accept the transfer of criminal proceedings.

Extradition

210. Austria receives an average of 50 extradition requests in all matters per year and, during the period under review, refused 28 of those requests. Between 2020–2024, Austria received 20 extradition requests and 19 European Arrest Warrants (EAWs) for ML offenses, and one extradition request for TF (Art. 278d, StGB). Only one ML extradition was refused. The authorities could not provide any statistics regarding extradition for predicate offenses.

Table 10. Austria: Statistics of Extraditions and EAWs

Extradition requests	2020	2021	2022	2023	2024	Total
ML	4	2	6	7	1	20
TF		1				1
EAWs						
ML	4	6	4	2	7	19
TF						0
Source: BMJ						

211. The extradition refusal rate is very low for ML/TF offenses and feedback from the Global Network was broadly positive about how Austria handles extradition and EAWs.

Authorities reported only one such extradition request and two EAWs refused. Generally, respondents to the questionnaire did not report about reasons for refusals other than those allowed by the conventions. Austria does not extradite its nationals, except within the framework of EAWs within the EU. Austrian authorities claim that in case such a refusal is made, it commits to prosecute the suspect within its own courts.

212. Extradition is provided in a timely manner and the average time needed to extradite has been steadily reduced during the period under review, from 66.25 days in 2020 to 41.75 days in 2024.³⁰ Feedback from the global network confirms that EAWs are timely executed.

³⁰ Statistics do not breakdown between extradition and EAWs. EAWs have extremely constrained time limits.

Regarding extradition, one country reported that there can be significant delays in granting extradition because of the possibility for multiple recourses.

Facilitate Asset Recovery

213. Austria's legal framework allows for the provision of assistance to foreign countries in identifying, locating, seizing, or confiscating assets, subject to minor shortcomings in R.4. cascading on the ability to provide assistance in this matter. ARO facilitates the execution of both informal and formal MLA requests for seizure and execution of confiscation measures. Austria is a founding member of the Camden Asset Recovery Informal Network (CARIN).

214. Formal seizure and confiscation incoming requests are processed along the same modalities and procedures as general MLA requests, including for prioritization. The central authority does not prioritize seizure/confiscation requests over other types of MLA requests, which may create a hazard in cases of risks of asset flight. However, the authorities indicate that prosecutors are aware of this risk and usually give special attention to such type of incoming requests.

215. The authorities have not demonstrated effectiveness in seizing or confiscating assets at the request of non-EU foreign authorities. No statistics exist about the volume and nature of AR requests received as part of criminal proceedings. The authorities could not provide information on the amounts seized or confiscated at the request of non-EU authorities.

216. Within the EU, Austria routinely provides assistance but could not provide details to determine how effective this assistance is. As part of the existing framework for mutual recognition of freezing and confiscation orders, between 2022 and 2024, it has received 43 seizing orders and 20 confiscation orders of which 3 were refused. The authorities could neither provide information as to the amounts seized and/or confiscated based on these orders nor statistics for 2020 and 2021 since such data collection was not mandatory under EU law prior to 2022.

217. FATF/FSRB members generally described Austria's assistance in AR matters as efficient and timely but not always effective. Austria's tracing of assets was described as solid and comprehensive, timely, efficient, and high-quality. However, the amounts seized/confiscated in Austria were extremely limited in terms of numbers and volumes of cases: Slovakia (EUR 33,000 and EUR 51,474) and Germany (EUR 1,500).³¹

218. International cooperation as part of tax fraud-specific procedures shows more effectiveness. The Anti-Fraud Department of the BMF, which is competent for tax offenses including tax evasion, reported to have received, during the period under review, 5,571 requests for confiscations of assets. At the request of foreign countries, they confiscated a total amount of

³¹ For countries which provided information.

EUR 18,406,942. It is, however, unclear to what extent these assets had been secured regarding tax administrative claims, tax crimes, or general criminal offenses.

219. Austria provides assistance in the execution of NCBCs, but only as part of criminal proceedings, when assets have been seized or secured but the offender cannot be prosecuted or convicted. NCBC decisions taken as part of foreign civil or administrative court proceedings have no equivalent in Austrian law. Austria nevertheless considers that it can execute them and provided a case example of MLA with Ireland where it granted an NCBC.³² As part of the feedback from FATF/FSRB members, one country only mentioned that Austria refused MLA for the execution NCBC.

220. Austria has not concluded any asset-sharing agreement with non-EU members, except with the United States. Within the EU, it routinely shares assets in accordance with the EU-Regulation 2018-1805 provisions on asset-sharing, but outside the EU, it does not share assets except on a case-by-case basis. The authorities reported only one case in which Austria agreed to share assets, with Liechtenstein in 2020 in a drug trafficking case where EUR 165,000 had been seized at the request of that country. As part of the feedback from the global network, one country pointed out that Austria did not accept to repatriate assets to the requesting country and another one signaled difficulties in asset repatriation due to the absence of an Austrian law providing for the restoration of victims.

Seeking Appropriate and Timely Mutual Legal Assistance and Extradition

Seeking Evidence and Locating Criminals

221. Available data suggests that Austria does not seek assistance in ML/TF matters outside the EU consistent with its risk profile. It issues around 5,000 MLA requests in criminal matters annually, which is equivalent to the number of requests received. During the period under review, prosecutors issued 662 MLA and EIO requests in relation to ML and 33 in relation to TF, mostly to EU countries. This represents a yearly average of 132.4 requests for ML and 6.6 requests for TF of which 26 MLA requests in ML and 1.3 requests in TF were issued to non-EU countries.³³ Such volumes are not in line with Austria's risk profile with a substantive part of transnational criminal aspects and illicit financial flows with CESEE/CIS countries.

222. There is neither information on the countries to which requests were sent nor on the predicate offenses to the ML offenses for which assistance was sought or the type of assistance requested. There is therefore no evidence that assistance sought by Austria is consistent with its ML/TF risk profile.

³² Decision 188 Ns7/11s Higher Court for criminal matters Vienna, 4 July 2012. The judgement does not state clearly what was the nature of the decision ordered by the High Court of Ireland.

³³ Based on the assessment by authorities that the ratio of incoming EIO/MLA requests of 81 percent/19 percent could apply *mutatis mutandis* to out-going requests.

Table 11. Austria: Ratio of MLA Requests Made by Austria in ML/TF Matters and in General Matters

	2020	2021	2022	2023	2024	Total	% of cases
Total cases in criminal matters	407,162	390,363	462,223	500,128	504,425	2,264,301	
Outgoing MLA requests	2,574	5,105	5,351	5,361	4,629	23,020	1.02%
ML cases	1,203	1,526	1,580	1,585	1,272	7,166	
Outgoing ML MLA requests	132	141	152	151	86	662	9.24%
TF cases	111	118	99	118	60	506	
Outgoing TF MLA requests	15	8	1	7	3	34	6.71%
Source: BMJ							

223. Statistics on MLA requested show that the volume of international cooperation in ML/TF matters is not consistent with the international nature of those offenses. Out of 7,166 ML cases registered during the period under review at national level,³⁴ only 629 resulted in MLA requests issued by Austria, which is less than 1 out of 10 cases. These figures highlight that authorities do not investigate the international elements of ML investigations as they could, as a majority of ML cases generally include an international element that should be investigated. On the positive side, these statistics show that this ratio is much higher than the ratio of MLA requested in support of investigations and prosecutions into other offenses, for which MLA is requested in just one percent of all cases registered in the BMJ's case management system. Feedback from FATF/FSRB members, while very limited, described the quality of requests as very good.

224. Austria makes appropriate use of informal cooperation to support MLA. Austria made most use of Eurojust for MLA within the EU, in support of EIOs sent to EU countries. Over the past 5 years, prosecutors sent an average of 190 requests annually, which is consistent with the size of Austria in the EU.

³⁴ See IO.7.

Box 1. Crypto Rip Deal "BLOCKCHAIN"

In August 2023, an Austrian developer became the victim of a fraud scheme while seeking funding for real estate projects. A supposed businessmen requested a brokerage fee of EUR 400,000 in exchange for a multi-million-euro loan to fund the victim's projects. The fee was to be verified through the victim's cryptocurrency wallet (Ethereum) on the platform Atomic Wallet.

The victim was manipulated during video calls, and the suspects were able to transfer cryptocurrency worth EUR 265,000 from the victim's Atomic Wallet.

The use of Europol's SIENA channel and SIS-channel resulted in the identification of the two suspects and international arrest warrants were issued. An EIO was sent to the Belgian authorities to ask for the transmission of extracted data from seized mobile phones and for the related analysis reports. The investigations successfully traced crypto assets in Seychelles for a total amount of EUR 233,000, and an MLA request to this country allowed the seizure of the entire wallet. Another MLA request was also issued to China, since the receiver of the funds is a Chinese citizen.

The two main suspects, identified under aliases, are part of organized crime groups with prior convictions for similar scams and burglary-related offenses. They were arrested in Brussels during another scam attempt. Investigators recovered EUR 233,000 of stolen cryptocurrency in the Seychelles, and these were frozen under the order of the Vienna prosecutor. Both suspects await extradition to Austria, facing charges of fraud, ML, and organized crime, with potential sentences of up to 15 years.

Table 12. Austria: Eurojust and Austria

EUROJUST	2020	2021	2022	2023
Total number of cases	3 809	4 808	5 227	5 710
Including Austria as:				
requesting State	139	157	202	248
requested State	178	198	208	225
Note: There is no specific statistic as to the number of ML/TF-related cases but according to EUROJUST annual reports, ML cases represent an average of 17 percent of total cases.				
Source: EUROJUST				

225. Austria also uses the European Judicial network (EJN) which is composed of points of contact in each EU member state. EJN facilitates judicial cooperation in criminal matters between EU member states, particularly by establishing direct contacts between competent authorities and by providing legal and practical information necessary to prepare an effective request for judicial cooperation or to improve judicial cooperation in general. Austria has six contact points throughout the country and details regarding Austria's reliance on the EJN are included in the table below.

Table 13. Austria: EJA and Austria

Year	2020	2021	2022	2023
Cases	320	198	215	187
Including ML	6	2	2	4
Source: EJA				

226. Austria is routinely part of joint investigative teams (JIT), mostly within Europe. During the period under review, public prosecutors have participated in 18 newly set-up JITs, some of which were established on the initiative of the Austrian authorities in complex cross-border cases of corruption, ML, human trafficking, drug trafficking, trade in counterfeit medicines, fraud, embezzlement, cybercrime, and financial criminal proceedings. The authorities also continued to support other already ongoing initiatives.

Table 14. Austria: Total JITs Involving Austria

	2020	2021	2022	2023	2024
Newly signed JITs	4	2		2	3
JITs ongoing from previous years	9	11	11	8	8
Total JITs supported	13	13	11	10	11
Source: Eurojust					

Extradition

227. The authorities did not demonstrate effectiveness in seeking extradition in ML/TF matters. During the period under review, they requested five extraditions for ML (all were granted) and none for TF. No statistics were provided about EAWs issued by Austria. The authorities could neither provide information about predicate offenses for extradition sought nor give an indication of the countries to which extradition requests were sent.

Seeking to Facilitate Asset Recovery

228. Austria did not demonstrate effectiveness in seeking MLA in AR matters, except for a few cases. The authorities did not provide any data on the number of MLA requests issued to seize or confiscate assets located abroad, and the nature of the assistance requested, including with regard to seizures and confiscation in equivalent value. The central authority estimates that an average of 10 requests may be issued by Austria on a yearly basis, which is notably low given Austria's risk profile. No information was provided on the amounts of assets seized or confiscated at Austria's request. This situation also impacts Austria's effectiveness in AR efforts (IO.8).

229. Within its area of responsibility, the Anti-Fraud Department of the BMF reported to have issued, during the period under review, 3,884 requests for confiscations of assets for tax

crimes. At their request, a total amount of EUR 23,473,859 were confiscated in foreign countries, under tax procedures and not as part of criminal prosecutions.

Seeking Other Forms of International Cooperation for AML/CFT Purposes, Including Asset Recovery

FIU

230. A-FIU has a dedicated international affairs unit, composed of three officers. It uses FIU.net for its information exchange with the FIUs of other EU members and, as a member of the Egmont group, it relies on the Egmont Secure Web for information exchange with non-EU Egmont Group members. It has signed MoUs with Canada, Ukraine, Holy See, and Japan because these FIUs required an MoU for information exchange, as well as with the European Commission and EUROPOL.

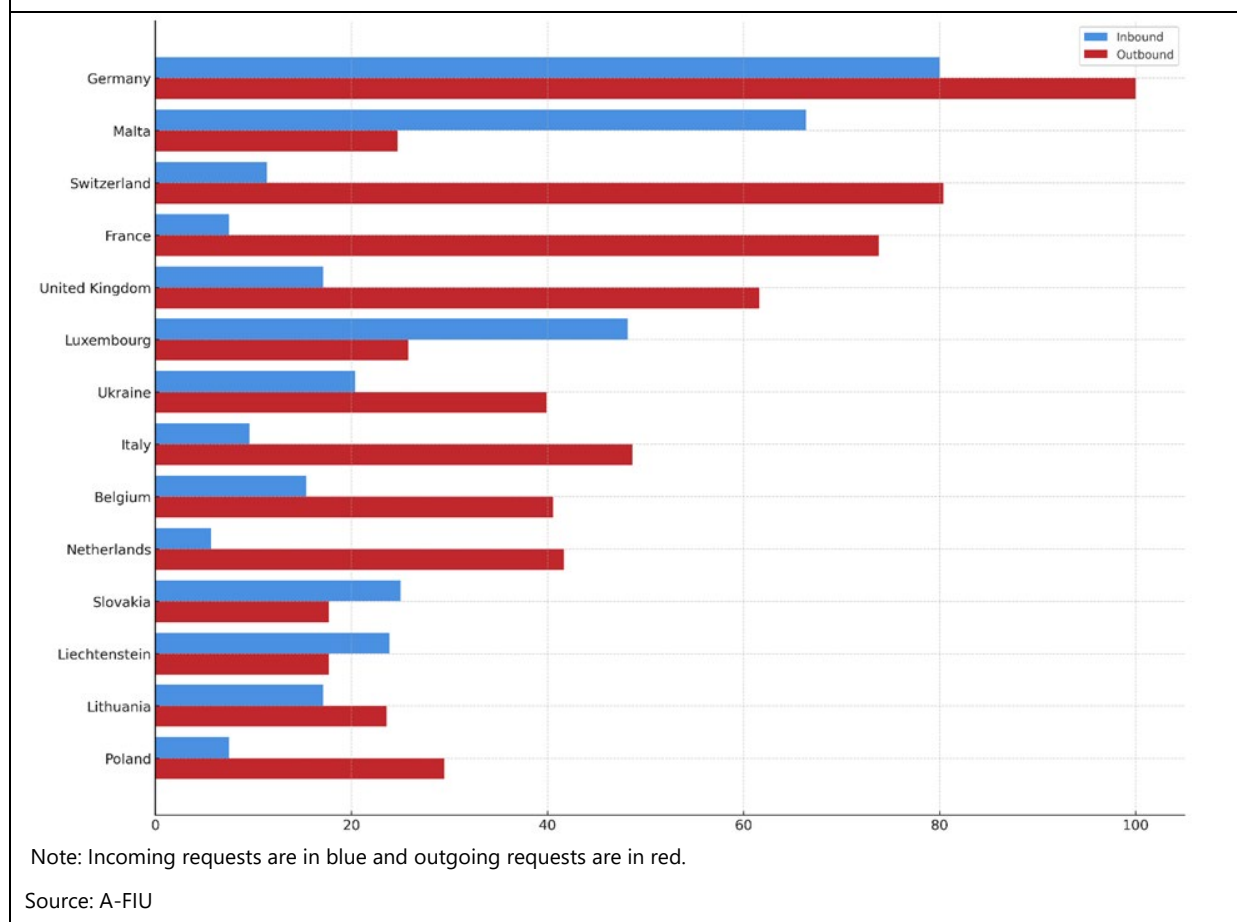
231. The number of outgoing requests by the A-FIU to foreign counterparts has shown a sharp and steady decrease from 945 requests in 2021 down to 40 requests in 2024 (Table 15). The number of outgoing requests also include requests sent on behalf of other competent authorities. The authorities could not explain the reasons for the limited number of outgoing requests over recent years. It is, however, an indicator that the A-FIU does insufficiently use intelligence and information from its foreign counterparts to inform its analytical process and produce financial intelligence in cases with a transnational element. The number of spontaneous disseminations issued by A-FIU is, conversely, very high and reflects the very positive feedback received by FATF/FSRB members.

Table 15. Austria: International Cooperation Sought and Provided by A-FIU Type of Request

	2021	2022	2023	2024
Requests sent by A-FIU	945	816	374	40
Requests received by A-FIU	222	254	250	156
Spontaneous disseminations from foreign counterparts received by A-FIU	No data available	No data available	No data available	No data available
Spontaneous disseminations by A-FIU to foreign counterparts	430	1281	1267	833

232. The main flow of information exchange is taking place with European countries. Austria receives less information from foreign countries than it disseminates, in particular with regard to spontaneous disseminations. As is the case for formal MLA, Germany is the main partner of Austria in FIU informal cooperation.

Figure 1. Austria: FIU Cooperation by Country



233. The A-FIU could not provide details on predicate offenses associated with requests sent, nor on the type of information requested from foreign counterparts as it does not maintain statistics reflecting this level of detail. It could not indicate either how many requests were initiated at its own initiative compared to the number of requests made on behalf of other competent authorities. More generally, FATF and FSRB members considered the cooperation with A-FIU as effective and active, and praised Austria for sending a substantial number of spontaneous disseminations, which were always accompanied by consent to use and further disseminate this information.

Law Enforcement Agencies (LEAs)

234. LEAs cooperate quite actively with their foreign counterparts. CIS is the single point of contact (SPOC) on the exchange of information between LEAs of EU members and for non-EU international police cooperation, and all requests and related responses through channels such as Interpol, SIENA, and police liaison officers are routed through CIS Austria. In addition to the police attachés in its embassies, Austria established seven Police Cooperation Centres at its borders where

Austrian and neighboring police officers work together 24/7. Austria signed 10 bi- and trilateral agreements³⁵ to support police cooperation.

235. Financial intelligence is usually sought through A-FIU, which requests that information from its foreign counterparts on behalf of LEAs. There is no available data on the number of requests sent through the A-FIU, but LEAs consider this channel as particularly useful.

Table 16. Austria: Exchange of Information Through the SIENA System in ML/TF Matters					
Year	2020	2021	2022	2023	2024
Sent	798	872	939	1,247	1,445
Received	1,724	1,868	2,017	2,275	2,373
Total	2,522	2,740	2,956	3,522	3,818
Source: A-FIU and SIENA					

236. In TF matters, DSN issued a total of 240 requests inside and outside Europe, using SIENA and other channels, including personal contacts, which DSN considers as playing a very important role given the extremely sensitive nature of its activities. By far, Germany is the country to which the highest number of requests are made (68 requests), followed by Israel (20), Spain (15), and France (13).

Table 17. Austria: Exchange of Information by DSN in TF Matters				
Year	2021	2022	2023	2024
Requests sent	35	55	82	68

237. Austria uses ARO to exchange information for the identification and tracing of assets abroad. As soon as there is a suspicion during an investigation that assets may be located abroad, ARO sends enquiries to the foreign AR agencies via the AR networks (i.e., EU ARO Platform (EU member states), and CARIN (all states)) to obtain information such as property, vehicles, companies, or accounts. In urgent cases, contact is also made by telephone. ARO also uses Interpol channels to exchange information. Thanks to the close collaboration between ARO and investigators, this information forms a useful basis to further target investigations, including expansion of the investigation abroad, as well as for the initiation of MLA requests by the police to the public prosecutor. During the period under review, ARO has made/received 1,351 requests through CARIN, EU ARO, and Interpol channels.

³⁵ Including with Czech Republic, Croatia, Germany, Hungary, Italy, Liechtenstein/Switzerland, Slovakia, Slovenia, and Ukraine.

Table 18. Austria: Exchange of Information by ARO

	2019	2020	2021	2022	2023	Total
Enquiries from CARIN-Members to Austria	7	9	7	4	14	41
Enquiries to CARIN-Members from Austria	10	13	5	18	41	87
Enquiries from EU ARO Platform Members	81	78	94	115	221	589
Enquiries to EU ARO Platform Members from Austria	40	23	20	82	166	331
Enquiries from INTERPOL to Austria	0	24	153	81	33	291
Enquiries to INTERPOL from Austria	0	0	0	2	10	12
TOTAL						1,351

238. Feedback from FATF/FSRB members indicates that Austria routinely exchanges information in AR matters, but its use of international cooperation shows limited effectiveness. The amounts seized/confiscated at its request were very limited according to respondents: Liechtenstein (EUR 390,000), Romania (EUR 24,440), Slovakia (EUR 252,000, EUR 17,950, and EUR 309,000), and Germany (EUR 25,491).

Supervisors of FIs, VASPs and DNFBPs

FMA

239. The FMA is actively involved in international cooperation within the EU and regularly coordinates at policy level with other EU member states within the EC's Expert Group on ML/TF (EGMLTF). For its operational activities, the FMA is an active member in the EBA's AML Standing Committee (AMLSC), which convenes several times a year. The AMLSC serves as a forum for both formal and informal exchange between EU members' supervisors. In addition, under guidelines JC 20189/81 of the EC, the FMA has established several colleges for the supervision of Austrian FIs which hold establishments in at least two EU members. In 2023, the FMA set up eight colleges and participated in nine host colleges. However, there is no available data as to the number of requests for information issued by the FMA, in particular in the context of licensing and fit and proper testing, and there is a lack of adequate information to substantiate how effective FMA is in seeking information from its counterparts in support of its operational activities.

DNFBPs

240. DNFBP supervisors exchange information at international level on a limited basis, mainly through participation in working groups and conferences at European level. Austrian regional bars may benefit from EU or international networks for the purpose of ML/TF prevention, but to date, have not engaged in exchange of operational information for this purpose. However, European bars operate an early warning and information exchange mechanism called "AML alert" which has been used several times to exchange information trends, typologies, and other up-to-date information.

241. Notaries can also exchange information through a number of networks, but there is no indication that they have used these channels in individual ML/FT cases so far. The Austrian Chamber of Civil-Law Notaries is a member of the Council of the Notaries of the European Union (CNUE). Within the CNUE, a working group on AML/CFT provides a forum for identifying and analyzing shared challenges and to exchange best practices in the prevention of ML and TF.

242. BMWET, the AML/CFT coordinator for DPMS, real estate, insurance intermediaries, and TCSPs, would engage in international cooperation when being aware of irregularities by an OE with establishments in foreign countries. In the absence of statistics or cases, it does not appear this has taken place.

Customs and Tax Authorities

243. Customs and tax authorities cooperate effectively with their foreign counterparts. Since 2021, the Anti-Fraud Unit of the Tax Administration includes a dedicated central office for international cooperation. The Tax Administration (i.e. Tax Authority and Customs) only exchanges information with the tax and Customs authorities of other countries based on existing legal bases. Within the EU framework, the tax administration participates in Multilateral Controls (MLCs) or JITs. It is not directly involved in Interpol channels but routinely receives Interpol requests and information via the Criminal Intelligence Service (CIS) for matters that fall within its competence.

Table 19. Austria: Exchange of Information in Tax Matters

		2021	2022	2023	2024	Total
Incoming requests	EU	1,307	991	910	980	4,188
	Third countries	343	316	76	75	810
Outgoing requests	EU	644	515	590	591	2,340
	Third countries	227	308	362	320	1,217

244. Customs seek cooperation within the framework of agreements with third countries. Council Regulation 515/97/EEC of 13 March 1997 and the Naples II Convention for national legislation and criminal investigations serve as a basis for international cooperation. Customs also cooperates through the World Customs Organization (WCO).

Table 20. Austria: Exchange of Information in Customs Matters

		2021	2022	2023	2024	Total
Incoming requests	EU	152	154	185	305	796
	Third countries	138	81	105	103	427
Outgoing requests	EU	93	53	78	157	381
	Third countries	39	17	20	29	105

Providing Other Forms of International Cooperation for AML/CFT Purposes, Including AR

FIU

245. Considering the lack of statistics referred to above, it is not possible to come to an informed conclusion as to how effective A-FIU is in providing assistance at the request of foreign FIUs. Information included in A-FIU's Annual Reports suggests that A-FIU provides more information spontaneously to its counterparts compared to the information it receives from foreign counterparts, but this could not be confirmed. A-FIU indicates that the average time to reply to information requests is about 19 calendar days. The response time varies depending on the type of assistance requested. Upon receipt of requests, these are ranked according to their priority and processed accordingly, with priority given to urgent requests.

246. The A-FIU does not usually request feedback from foreign counterparts on the quality and usefulness of the information provided. FATF/FSRB members generally considered cooperation with A-FIU effective and easy. Information is said to be usually very useful and relevant, and timely. A-FIU's spontaneous disclosures of information and its responsiveness to requests made by foreign FIUs on behalf of other competent authorities were identified as strengths of A-FIU's international information exchange.

Law Enforcement Agencies (LEAs)

247. LEAs (including ARO) actively provide assistance and information to their foreign counterparts. During the period under review, Austria received more than 10,000 ML-related requests for information from EU counterparts through the SIENA system.³⁶ Austria has participated and is still part of several JITs. In AR matters, once a foreign authority requests information, ARO may access all databases to which the Austrian police have access for national cases. ARO's average response time is eight to nine days but in urgent cases, the response can be provided within hours.

Supervisors of FIs, VASPs and DNFBPs

FMA

248. The FMA is also active in providing informal cooperation. The FMA's AML/CFT division regularly receives, processes and answers legal enquiries by foreign authorities.

³⁶ See Table 16 on Exchange of Information through the SIENA system.

Table 21. Austria: Exchange of Information by the FMA in ML/TF Matters

	2020	2021	2022	2023	2024
Legal enquiries from foreign authorities	60	61	46	31	30
Formal MLA requests in the area of AML/CFT	12	42	15	22	9
Foreign F&P assessment information requests	73	75	59	64	108

Customs and Tax Authorities

249. The international cooperation mechanisms for the Tax Administration are described in previous sections. The provision of other forms of international cooperation follows the same rules as for the requests made by Austria and figures and charts regarding the provision of informal cooperation are displayed in previous sections.

DNFBPs

250. The mechanisms by which lawyers, notaries, and supervisors of the trade sector engage in international cooperation are described in previous sections. The provision of informal cooperation follows the same arrangements and procedures. DNFBP supervisors provide very limited informal cooperation, if any, to foreign counterparts. Limited incoming and outgoing international cooperation in DNFBP supervision impact Austria's effectiveness in supervising the sector (IO.4).

FINANCIAL SECTOR AND VIRTUAL ASSET SUPERVISION AND PREVENTIVE MEASURES

The relevant Immediate Outcomes considered and assessed in this chapter is IO.3. The Recommendations relevant for the assessment of effectiveness under this chapter are R.9-21, 26, 27, 34 and 35 and elements of R.1, 29 and 40.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Market entry controls are, to a large extent, effectively implemented in the financial sector and, since 2024, more systematically in VASPs as well. Data on negative outcomes of fit and proper testing of persons holding, or being the beneficial owner of, a significant or controlling interest, or a management position, is limited due to common voluntary withdrawals of applications to avoid reputational damage anticipating formal negative decisions. However, this is not being adequately recorded.

- b. The FMA systematically identifies and responds to unauthorized FIs (including MVTs) and VASPs, resulting in warning notices, investigation, and administrative penal proceedings. However, monetary penalties imposed on unauthorized MVTs are limited.
- c. The FMA has a sound understanding of the ML/TF risks in its sectors based not only on the NRA but also on its SRA and risk assessment tool. However, the FMA does not systematically collect information on OEs' effective implementation of mitigating measures and controls beyond observations from supervisory engagements, and the tool could benefit from more granularity on some aspects.
- d. The FMA is effectively promoting ML/TF risk understanding and AML/CFT compliance through sector-wide and bilateral engagements to a large extent. However, risk understanding related to cash, laundering proceeds of crime through real estate, and corruption beyond PEP-list compliance remains limited across sectors although it is more developed among CIs. Ongoing monitoring, EDD based upon adequate customer risk assessments, complex beneficial ownership with a non-Austrian nexus, and effective STR/SAR reporting are also areas which need increased attention.
- e. Most large FIs with an international presence seem to systematically include their foreign subsidiaries and branches in their group-wide risk assessments and often leverage group-wide consolidated resources and harmonized AML/CFT policies and procedures. The FMA's group-wide monitoring is limited and risk-based only to some extent.
- f. The FMA employs a data-driven supervisory framework combining onsite and offsite tools to ensure compliance among FIs and VASPs. This framework is risk-based to a moderate extent due to limitations identified regarding the assessment of risk, and a limited but increasing share of high-risk CIs being selected for the most intense type of engagement, the onsite inspection. Highest risk sectors (CIs and VASPs) are nevertheless most in scope for onsite inspections, which are thorough.
- g. The FMA's supervision and monitoring activities have demonstrated a positive effect on compliance of the financial and VASP sectors. Supervisory efforts, including outreach, training, and enforcement, have improved compliance among FIs and VASPs, in particular over the last three years. Sanctions issued have improved overall awareness among FIs and VASPs.

Other Recommended Actions

- a. The FMA should improve its risk assessment methodology and tools by:
 - including more granular data from OEs on (sub)sectoral ML/TF vulnerabilities as identified;
 - systematically collecting sufficient data on implemented mitigating measures and controls from OEs; and

- further refining the risk assessment tool's risk calibration to come to an adequate reflection of ML and TF exposure at the level of financial groups as well as at individual OE level.
- b. The FMA should prioritize more higher-risk OEs for its onsite inspections directed at improving effective risk mitigation. This particularly relates to a further increased implementation of the following measures and controls: ongoing monitoring measures, group-wide controls and measures (where applicable), adequate customer risk assessment and subsequent EDD measures, complex beneficial ownership structures and source of funds determination (particularly with a non-Austrian nexus), and identifying and reporting suspicious transactions and activities.
- c. Given Austria's role as a systemically important regional and international financial center with extensive cross-border linkages and ML exposure, the FMA should strengthen its (risk-based) supervisory approach regarding its financial groups' activities in the CESEE region. This should include conducting more onsite inspections of Austrian banks' CESEE-based subsidiaries and branches commensurate with their risks annually.
- d. The FMA should step up its efforts to ensure through targeted engagements that FIs and VASPs have an adequate risk understanding related to cash, laundering proceeds of crime through real estate and corruption beyond PEP-list compliance, while more particularly ISPs and asset managers should develop an adequate understanding of ML/TF risk beyond compliance risk, commensurate with the sector's materiality and risk profile.

Overall Conclusions on IO.3

251. Market entry controls are effectively implemented in the financial and VASP sectors to identify potential criminals and associates and prevent them from holding (or being the beneficial owner of) a qualifying or significant interest or management function, to a large extent. Austria demonstrated that it effectively seeks to identify and address unauthorized activities of FIs (including MVTs) and VASPs. Addressing unauthorized MVTs through monetary penalties is limited to a few, with a single more dissuasive penalty imposed.

252. The FMA is largely able to consolidate its critical insights on sectoral ML/TF risks through its risk assessment tools and seeks to continuously refine its (data-driven) risk understanding. The FMA gathers (i) quantitative information on inherent vulnerabilities directly from OEs periodically, and (ii) qualitative information on OE's risk mitigating controls and measures based on supervisory observations. However, additional and more systematically collected information is needed to strengthen this second risk dimension.

253. The FMA's effective promotion of general ML/TF risk and AML/CFT obligations is reflected in CIs' developed understanding of existing and developing ML risks, which is supported and maintained by dynamic and data-driven business risk assessments. Their understanding of exposure to risks from the use of cash, laundering through real estate, and

corruption beyond being solely understood as a PEP-list compliance issue, could be further improved. Regarding the VASP sector in general, there is room for a further improved risk understanding but the interviewed VASPs demonstrated a clear understanding of their risks. The smaller financial sectors such as securities and asset management companies could benefit from more targeted support to improve their ML/TF risk understanding commensurate with their materiality and risk and to conduct adequate business risk assessments.

254. In general, FIs and VASPs demonstrate an adequate, improved implementation of basic CDD and record-keeping obligations. Understanding of beneficial ownership-related measures has improved and the main remaining issue is the need to take adequate measures in more complex ownership and control situations, including where there is a non-Austrian nexus. Larger, as well as higher-risk CIs have decreased their risk appetite and are taking additional measures. Deficiencies in the application of ongoing monitoring measures seem to rather be related to OEs' customer risk assessment and risk scoring system. While the number of STRs/SARs submitted by CIs and VASPs is steadily increasing, it remains low to very low among OEs, and only a relatively small number of FIs is responsible for them.

255. The FMA's data-driven supervisory framework combining on- and offsite engagements is moderately risk-based. There are some intrinsic limitations when assessing risk and onsite inspections are moderate in number. For VASPs, the FMA has found an already better risk-based prioritization of higher-risk entities, which are covered most often by onsite inspections. Regarding FIs, the highest-risk CIs have been effectively prioritized for onsite inspections to a limited but increasing extent. However, the highest-risk sectors are predominantly targeted with onsite inspections since 2020. The number of onsite engagements with non-banking FIs is very low, partly in line with (perceived) risk and materiality. The focus of onsite inspections is predominantly on high-risk areas, including the application of EDD to high-risk customers domiciled in, and transactions to/from, offshore jurisdictions, and related beneficial ownership verification. Financial groups' ML exposure due to CESEE-based subsidiaries and branches is to a limited extent addressed through onsite engagements (including both onsite inspections and examinations) and predominantly monitored by AML/CFT Colleges. The already acknowledged and recommended shift towards extending the number of onsite inspections, targeting more higher-risk OEs annually, and the impending transfer of TFS supervisory responsibilities requires an increase in AML/CFT supervisory full-time equivalents (FTEs) at the FMA.

256. Overall, the impact of the FMA's engagements and focus on high-risk products and customers, and on an adequate application of EDD measures is reflected in the compliance levels of CIs and VASPs. The risk of sanctioning for AML/CFT-related breaches and publication of sanctions have a demonstrated effect on FIs' and VASPs' overall awareness.

257. Austria is rated as having a Substantial level of effectiveness for IO.3.

B. Immediate Outcome 3

258. CIs were given the greatest importance due to higher risk and their dominance of the Austrian financial market. CIs account for slightly more than half of the assets of the Austrian financial market. The rest is comprised evenly by non-banking FIs and insurance sector. Payment and money remittance services are, to a large extent, provided by licensed CIs, and the banking sector also dominates the provision of investment services: investment fund management companies (KAG), alternative investment fund management companies (AIFM), and the real estate-investment fund management companies (ImmoKAG).

259. Austria's banking sector combines large and internationally active institutions. This is reflected by their large number of subsidiaries and branches and their extensive network of regional cooperatives, savings banks, and specialized credit entities. CESEE is a very important market for Austrian banks in terms of size and profits, with 35 subsidiaries operating in 14 CESEE countries³⁷ and total assets amounting to EUR 299 billion³⁸ at the end of 2024. Around 85 percent of Austrian banks' CESEE exposure is within the EU.³⁹ In 2024, subsidiaries operating in CESEE EU countries contributed 71 percent to the Austrian banking sector's profits earned in CESEE.⁴⁰

260. The consolidated balance sheet of CIs is dominated by loans and deposits. These make up more than two-thirds of the sector's assets and liabilities, a reflection of Austrian banks' retail business model in which trading activities play a minor role. Austria's domestic banking landscape is characterized by three large, decentralized (multi-tiered) banking groups: Raiffeisen, Volksbanken, and Sparkassen.

261. Other PIs, as well as EMLs, include a considerably small number of entities with limited material effect were given moderate importance. These sub-sectors operate either within the framework of establishment in Austria (through agents) or freedom to provide services under the EU's passporting regime (Introduction).

262. Great importance was placed on the VASP sector due to its higher risk and the role of Austrian VASPs in the EU market (Introduction). Since January 2020, VASPs have been subject to AML/CFT regulation and FMA supervision, the number of registrations decreased from 24 registered VASPs at end-2022 to 13 end-2024.

263. Insurance intermediaries (brokers and agents) have lower risk and lesser materiality and were therefore given low importance. While they are considered FIs under the FATF Glossary,

³⁷ Two fewer subsidiaries in CESEE compared to 2023 (affected countries: Romania and Belarus).

³⁸ This corresponds to 24 percent of the consolidated total assets of the entire banking sector.

³⁹ The most relevant subsidiaries are located in Czechia and Slovakia and account for almost 54 percent of Austrian banks' total assets in CESEE. Other CESEE EU subsidiaries operate in Romania, Croatia, Hungary and Slovenia (listed in the order of subsidiaries' total assets).

⁴⁰ Mainly attributable to profit increases of subsidiaries in Czechia (+28 percent).

the insurance intermediary sector forms part of the DNFBP sector and is supervised by the trade authorities. Cross-reference is therefore made to IO.4, unless explicit analysis is included under this section.

Licensing, Registration and Controls for FIs and VASPs Preventing Criminals and Associates From Entering the Market

Market Entry Controls

264. Assessments on the potential criminal background in FIs and VASPs are, to a large extent, effectively conducted. This includes potential licensees, acquirers of a qualifying holding (including the beneficial owners), and newly appointed senior managers. However, provided data on the number of negative outcomes and voluntary withdrawals is limited and does not directly reflect the adequacy of such assessments, since applications are withdrawn anticipating negative outcomes to avoid reputational damage. The checks on ownership and control of VASPs have been only implemented more recently in a more systematic manner.

265. The FMA cooperates on market entry controls with the ECB under the framework of the SSM. This mechanism pertains to the licensing, acquisition of qualifying holdings, and assessment of persons in management positions of CIs designated as significant institutions (SI) and less significant institutions (LSI).⁴¹ While the FMA is responsible for fit and proper assessments of members of the management body and key function holders of LSIs, the ECB is directly competent for such persons in SIs. The FMA prepares the draft decisions for SIs,⁴² which are aligned with the ECB before finalization and issuance.

266. When a person intends to hold, acquire, or increase a qualifying holding⁴³ in a CI directly or indirectly the FMA is notified.⁴⁴ This person completes a self-declaration on potential involvement in judicial criminal proceedings or investigations, or administrative penal proceedings, and provides relevant information. This is corroborated by a criminal record certificate, or comparable proof from a foreign country. The FMA also reviews the source of funds and routinely

⁴¹ See EU Council Regulation 1024/2013 and <https://www.bankingsupervision.europa.eu/banking/list/criteria/html/index.en.html>

⁴² In such cases, the FMA applies the FMA Circular Letter for the Suitability Assessment of Heads of Business, Supervisory Board Members and Key Function Holders (03/2023) guided by the Joint European Securities and Markets Authority (ESMA) and European Banking Authority (EBA) Guidelines on the Assessment of the Suitability of Members of the Management Body and Key function holders under Directive 2013/36/EU and Directive 2014/65/EU (EBA GL 2021 06).

⁴³ i.e. a direct or indirect holding in an undertaking which represents 10 percent or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking (Art. 2 EKV 2016).

⁴⁴ See Art. 20(1) BWG and the Regulation on Qualifying Holdings 2016 (EKV 2016).

requests additional information through in-house data verification, external sources, and information obtained by other competent authorities.

267. Since 2020, the authorities received one licensing request from a CI and four for CI branches in Austria—and approved all applications. The FMA denied two cases of proposed acquirers between 2020 and 2025, one leading to withdrawal of the application (Box 2) and in the other case it rejected the acquisition of a CI. The ECB has never issued a negative fit and proper decision concerning Austrian CIs as in cases for which a potential negative decision has been proposed, the CI decides to withdraw the application/notification to avoid reputational damage. The ECB reported one withdrawal.

268. The FMA also effectively monitors OEs to learn about reputational issues (i.e., from the OE, other competent authorities or negative news coverage), and to respond accordingly. That is despite the fact there is no requirement to notify the FMA about any changes in the reputation of the person holding (or being the beneficial owner of) a qualifying holding.

Box 2. Qualifying Holding Procedure, 2024

In May 2024, the FMA received an application by a foreign company intending to acquire a qualified shareholding resulting in a total of 29.59 percent of the voting rights in an Austrian bank. This bank is part of a Vienna-based international group of CIs with subsidiaries in the CESEE region. At the time the application was submitted, the acquirer had already acquired 9.63 percent of the voting rights and the conditional share purchase agreements were concluded for the acquisition of a total of 19.96 percent. The FMA's internal investigation included:

- Eight (private) loan agreements totalling EUR 122.3 million tied to 7 individuals were identified as source of funds. A WorldCheck query linked one individual connected to the acquirer to several tax evasion investigations between 2009 and 2018.
- A sub-loan agreement for EUR 120.5 million between a private lender and the acquirer raised concerns since part of this amount (EUR 79.9 million) served as collateral for a loan with a CI in Germany. In addition, the WorldCheck query revealed ties between the lender and a co-leader of a criminal organization in the Balkans.
- The FMA found information that the acquirer planned to partially transfer shares to another company under a conditional agreement, indicating coordinated actions between the two entities.
- This structure was found economically unjustifiable by the FMA, obscuring the source of funds and potentially posing ML/TF risks to the Austrian bank.

The beneficial owner of the acquirer was found to be personally unsuitable, and the acquisition was rejected due to the attempted exercising of influence on the business activities and staff members by the acquirer as well as due to the intransparency in relation to the source of funds, sub-loan agreements and the planned transfer of shares, as well as the serious concerns regarding the acquirer's beneficial owner. The acquirer withdrew the application on 1 July 2024, and the ECB determined that any other voting rights of the involved companies were suspended.

Source: FMA

269. As part of the personal requirements for members of CIs' management boards, personal reliability is effectively assessed. This is primarily done based on submitted documents (e.g., criminal record certificate) and, where necessary, verified with foreign authorities and open-source checks. Fit and proper assessment of managers and key function holders in Austria is triggered by an ex-post notification by the FI⁴⁵ and all executive directors of locally operating banks within cooperative groups are also included. The FMA reported that it contacted its foreign counterparts in 13 EU member states and two non-EU countries—Switzerland and the United Kingdom—since 2020 for fit and proper assessment purposes. Such information is not systematically logged or documented.

Table 22. Austria: Breakdown Fit and Proper Procedures Management Functions SI/LSI per Year		
Year	Management Function	Head of internal control function
2020	63 LSI 30 SI	11 LSI 18 SI
2021	77 LSI 11 SI	22 LSI 3 SI
2022	46 LSI 25 SI	5 LSI 13 SI
2023	63 LSI 17 SI	14 LSI 5 SI
2024	71 LSI 17 SI	8 LSI 5 SI

270. No fit and proper assessment of managers in a CI has led to a formal rejection, as applicants withdraw before a negative decision is issued. The FMA did not provide data on the number of such voluntary withdrawals, while the ECB reported five withdrawals for Austria due to supervisory concerns, but not necessarily AML/CFT related. The status as a PEP is considered from a broader ML/TF risk perspective when assessing potential conflict of interest risk.

⁴⁵ The FMA has identified seven cases since 2020 in which a person was not notified following appointment in a managerial position while required, generally in very small banks. In all cases the FMA was informed either by the bank's auditor or had identified the case through an onsite inspection, the Supervisory Review and Evaluation Process (SREP) or other sources. Banks are required to have internal fit-and-proper regimes which are regularly assessed within the SREP for each bank. The FMA's responded through regular supervisory follow-up and assessed respective individuals.

271. The FMA effectively reassesses managers and removes them where necessary, following changes in reputation. The FMA reported 15 cases between 2020 and 2024 where new facts or other relevant information led to the reassessment of members of the management bodies. In seven cases, this led to removal of the person from their function, either through resignation before the formal removal decision was communicated or following such issuance. Cases were notified by the CI, uncovered in an onsite inspection, through an auditor's report, a whistleblower, or other news.

272. The implementation of market entry controls for securities companies by the FMA (without involvement of ECB) follows the same approach and is considered equally effective. For insurance companies, an *ex-ante* assessment of the fitness and propriety of persons holding (or being the beneficial owner of) a qualifying interest or holding a management or key function follows a similar approach as described above. No data on voluntary withdrawals in these sectors was available.

273. The FMA recently started to more systematically target and subject persons owning or controlling VASPs to vetting. Before 2024, the FMA did not systematically establish the ownership and control structure and vetted the beneficial owner(s) (Box 3). This has since changed. The personal reliability of managers at VASPs is determined on a desk-based review like CIs. In the previously applied registration process of applicant VASPs, the FMA primarily focused on the AML/CFT officer as a key function holder. In some cases, the AML/CFT officer was also part of the management body and/or (beneficial) owner, only therefore, the latter functions were covered. In other cases, the FMA acted upon reports from whistleblowers questioning registered VASPs' ownership and control structure. With the EU Regulation 2023/114 (MiCAR) since 2024, all relevant natural persons, including the beneficial owners, are explicitly targeted and subject to vetting.

Box 3. The FMA's Application of Fit and Proper Assessment of the Beneficial Ownership of VASPs Before 2024

In 2022, shortly after registration of a VASP, it notified the FMA that a large foreign (EU-based) entity intended to acquire full ownership. At the same time the FMA received a whistleblower report questioning the VASP's ownership and operational transparency, alleging that the VASP was covertly controlled from its inception through a straw man acting as the official majority shareholder.

The FMA immediately initiated formal investigative proceedings, assessed the ownership structure and the source of funds as well as personal reliability. The purported majority stakeholder failed to cooperate adequately, and the VASP's legal representative applied for withdrawal of the registration and announced liquidation. Around the same time as the initial registration of the Austrian VASP, the foreign entity also intended to open operations in Austria and applied for a VASP registration.

During the procedure, the FMA scrutinised (negative) media reports and requested clarifications from the applicant and cooperated closely with EU and non-EU competent authorities (including Germany, the Netherlands and the United States). Based on the assessment the FMA informed the applicant it would issue a rejection, and the applicant subsequently withdrew the application in 2023.

Source: FMA

Detecting and Addressing Breaches

274. The FMA identifies unauthorized business operations related to financial (including MVTs) and VA-related services. The FMA's specialized division Combating against Unauthorised Business investigates suspicions of unlicensed operations based on information from whistleblowers, enquiries, complaints, media reports, market participants, supervisory monitoring, active observation of the market, or notifications from other authorities. The FMA demonstrated a large number of identified unauthorized business operations related to financial and VA-related services, predominantly concerning "trading for own account or for account of customers in securities," (from 83 in 2020 to 193 in 2024) "taking deposits," (from 46 in 2020 to 38 in 2024) and "investment advice" (from 10 in 2020 to 24 in 2024).

275. Unauthorized MVTs activities are identified and addressed, leading to investigation proceedings (on average 35 initiated per year since 2020), warning notices (on average 1 per year since 2020), procedural order (on average 1.4 annually), or administrative penal proceedings (just three concluded in 2021 and 2024). One monetary fine is considered more appropriate (EUR 10,000, in 2024) than the other two fines (EUR 200 and EUR 800), and the total number of penalties is limited to these three cases.

276. Unauthorized VASP activities are adequately detected. The FMA reported five MiCAR related cases in 2024 and 29 cases concerning unauthorized VASPs under the previous registration regime. Following identification of unauthorized business, the FMA remediates breaches through administrative penal proceedings, procedural orders, and issuing warning notices which, combined, are considered to have an enforcing effect.

Supervisors Identifying, Understanding and Promoting FI and VASP Understanding of ML/TF Risks

Identifying and Maintaining an Understanding of the ML/TF Risks in the Different Sectors and Types of FIs and VASPs and of Individual FIs and VASPs Over Time

277. The FMA has a sound understanding of the ML/TF risks faced by its supervised sectors and entities. The FMA is largely able to consolidate its critical insights on ML/TF exposure of the different sectors through a combination of the NRA, its SRA, and the implementation and use of its Risk Assessment Tool (RAT), as well as information gathered as part of the engagements with the OEs. In addition, the FMA makes use of ad hoc analysis in response to market shifts, emerging risks, or trends, leveraging data infrastructure for analyses including impact assessments, anomaly detection, and pattern evaluations across OEs.

278. The FMA has conducted an SRA of the financial and VASP sectors that provides a broadly adequate overview of the main threats, vulnerabilities and ML/TF risks. This SRA complements the 2025 NRA and further identifies key high-risk factors including the gatekeeper function of financial groups in the CESEE region, international payments, high-risk customers and

jurisdictions, PEPs/HNWIs and beneficial ownership, VASPs, outsourced compliance function, offshore jurisdictions CBRs, and money service businesses.

279. The SRA, however, lacks depth on certain areas such as corruption risks and some refinement concerning the calibration of relevant (sub)-sectoral risk factors (e.g., those related to VASPs). The analysis of corruption risk is predominantly based on a single datapoint in the sectoral questionnaires reflecting the numbers of PEPs as customers, disregarding other potential relevant subfactors such as PEPs as beneficial owners, foreign versus domestic PEPs, residency and/or citizenship of foreign PEPs, etc. The approach as reflected in the SRA also needs some further refinement where it concerns the calibration of (sub)-sectoral residual risk. For example, the sectoral risk for a particular sector is set at high, while all risk factors but one are individually rated as less significant. The FMA reports this is already addressed in the new methodology (under development).

280. An important element of the FMA's RBS is the systemic data collection through its RAT, which provides a holistic, periodically updated view of sectoral ML/TF risks. The tool gathers (i) quantitative information on inherent vulnerabilities through annual sectoral questionnaires to OEs, transaction data from the OeNB (per CI and country), and also (ii) qualitative information on OE's risk mitigating measures from the FMA's supervisory engagements and from OEs' external auditor's report (where available and sufficiently detailed).

281. The tool provides an appropriate inherent risk profile per individual OE but needs more granularity for elements such as geographical exposure and high-risk customers. The risk profile is based on a four-step risk scale reflecting the inherent risk dimensions (customer structure, products and services, distribution channels, and geographical exposure). A more granular approach is needed where data on geographical exposure per individual subsidiary, branch, or representative office (e.g., clients' residency in higher-risk jurisdictions) is currently only collected for all entities of the OE combined. Such exposure per entity is relevant to identify and better understand intra-group geographic exposure. However, the FMA reported that such information will be systematically collected and analyzed for internal risk assessment following changes expected by AMLA. Customer risk factors applied seem limited where the share of customers with higher-risk background, such as activities in more vulnerable sectors (e.g., cash intensive businesses or VASPs), or the distribution of high-, medium-, and low-risk customers following OE's customer risk assessment, are not reflected. The FMA reported that such factors will be incorporated in the updated risk classification methodology, which will be applied in 2026 in preparation of the new AMLA framework.

282. The RAT, however, does not necessarily provide a systemic overview of OEs' effective implementation of the full range of mitigating measures and lacks granularity where it concerns some of the covered measures and controls. Conducted engagements and findings do not systematically cover the full range of mitigating measures and controls and are limited in number. The FMA seeks to address this shortcoming in the foreseen adjustment of its risk assessment methodology to better align information gathered offsite and onsite. The assessment of the covered measures and controls lacks reflection on the methods applied to verify the identity of

the customer and the beneficial owner, or the conducted EDD measures vis-à-vis PEPs. No EDD on other higher risk customers is explicitly reflected in the applied controls matrix. Therefore, the tool is (currently) providing residual risk profiles which are adequate to a somewhat limited extent.

283. To ensure ongoing refinement of (sub-) risk indicators and a reassessment of risk dimensions, the RAT is updated as needed, most recently in 2025, to reflect outcomes of the SNRA, NRA, and SRA. Examples relate to including new corridors regarding money remittance, and the complexity of the structure and products of VASPs as OE.

284. The FMA has steadily increased its capacity to understand and detect ML/TF risks specific to VAs. Due to the sector's rapid developments, the FMA started to use tools to analyze transfers of VAs on the blockchain and of custodial wallets based on selected risk categories. In addition, risk in relation to self-hosted wallets, crypto transactions (including those related to ongoing business relationships and those taking place occasionally that have a converted fiat amount of at least EUR 1,000) are addressed through targeted questions in the annual risk assessment questionnaire.

Promoting FI and VASP Understanding of ML/TF Risks and AML/CFT Obligations

285. The FMA is, to a large extent, effectively promoting understanding of ML/TF risks and AML/CFT obligations in FIs and VASPs, which could benefit from more regular updates. The FMA has issued detailed, in-depth circulars to promote compliance with due diligence obligations, internal organization, risk assessment, and on reporting obligations,⁴⁶ available on its website and considered very useful by the private sector. Regular updates to these circulars are necessary to ensure an effective promotion of current risks, and on amended or introduced obligations. For example, the circular on risk assessment promotes the outcomes of the NRA 2021 and could benefit from an update reflecting the recently adopted NRA 2025. Furthermore, the shortcomings in the FMA's risk identification and understanding as identified above (e.g., corruption risks), impact the scope of risks promoted with OEs.

286. The FMA collaborates through sector-wide engagements, ad hoc meetings, and workshops. Those include the large annual FMA Supervisory Conference, which also addresses AML/CFT-relevant topics, and specific events updating on regulatory developments, related themes, and practical guidance, such as a 2024 edition of the online "Let's talk about supervision" series on online identification. The FMA also organizes ad hoc meetings and workshops, such as the biennial workshop on Compliance and AML for Compliance and AML/CFT experts in CIs.

287. The FMA also holds bilateral consultations to address sector-specific issues, such as during the annual process of collecting information for the RAT questionnaire. Supervisory engagements such as onsite inspections and management talks also provide direct feedback and

⁴⁶ Respectively: FMA Circular 01/2022, 23/02/2022, FMA Circular 02/2022, 23/02/2022, FMA Circular 03/2022, 23/02/2022 and FMA Circular 04/2022, 23/02/2022.

guidance on addressing deficiencies and individual OE's risk understanding, particularly where it concerns the OE's effective implementation of the business risk assessment. Finally, administrative proceedings also specifically instruct OEs taking corrective actions.

FI and VASP Understanding of Existing and Evolving ML/TF Risks

288. FIs generally have a developed understanding of existing and developing ML risks related to relationships with offshore customers, listed higher-risk jurisdictions, complex structures, and the use of fraudulent companies (IO.5), but to a somewhat lesser extent risks from the use of cash, laundering the proceeds of crime through real estate, and corruption.

ML risk related to corruption seems to be predominantly approached from a focus on PEP-list compliance instead of an inherent vulnerability perspective. CIs generally understand TF risk as related to NPOs, international payments to higher risk jurisdictions (including jurisdictions neighboring conflict countries or regions), and TFS/TF compliance.

289. Most CIs demonstrate an improved ability to maintain an understanding of their exposure to ML risks, considering emerging risks, including at group-wide level (where applicable). They approach business risk assessment as a dynamic, data-driven process tailored to their business models. The FMA continues to identify shortcomings in relation to FIs' risk assessments, but these are reported now of a less systemic nature, underlining the improved understanding of ML/TF risks over time. Most large FIs with an international presence seem to systematically include their foreign subsidiaries and branches in their group-wide risk assessments.

290. While the sector has undergone a steep learning curve since the introduction of sectoral AML/CFT obligations in 2020, there is room for improved risk understanding among the very heterogeneous group of VASPs. However, interviewed VASPs demonstrated an understanding of their high inherent ML/TF risks, systematically conduct business risk assessments and revise them based on market developments and prior to the introduction of new products and/or technological developments.

291. ISPs and asset managers did not demonstrate an ML/TF risk understanding commensurate with the sector's materiality and risk, since their risk understanding was limited to compliance risk. They do not adequately conduct business risk assessments in a systematic manner and only a limited number of securities firms (37 percent), life insurance companies (32 percent), and investment fund management companies and alternative investment fund managers (59 percent) have implemented a formalized customer acceptance policy based on the results of their business risk assessment. The life insurance sector, including intermediaries, nevertheless demonstrated an understanding of the limited risk it is exposed to.

FI and VASP Understanding and Compliance with AML/CFT Obligations and Mitigating Measures

CDD, Record-Keeping, Beneficial Ownership Information, Ongoing Monitoring

292. FIs and VASPs are generally aware of and understand their basic CDD obligations such as customer identification and verification and record keeping requirements. The FMA reports that the application of CDD measures for natural persons and legal entities in low to moderate risk circumstances does not pose significant problems. Below five percent of identified shortcomings since 2020 are reported to relate to the requirement to identify and verify the customer's identity.

293. Most CDD-related findings from onsite inspections of FIs and VASPs relate to deficiencies in the application of ongoing monitoring measures (around 12 percent). The FMA indicates that these mostly relate to individual, isolated cases and not to systemic issues. Over 70 percent of FIs and VASPs have implemented elaborate automated transaction monitoring systems from recognized providers. The FMA's findings therefore do not relate to a complete lack of monitoring, but rather to the calibration of the transaction monitoring to ensure adequate risk-based ongoing monitoring of individual cases.

294. Despite the identification and verification of the identity of the customer's beneficial owner remaining one of the top five most identified findings related to CDD requirements, CIs however demonstrate an increased risk understanding and conduct improved CDD and EDD measures. This is supported by reliable beneficial ownership information which is available in the Austrian Beneficial Ownership Register (IO.5). Most CIs require customers to provide beneficial ownership information by submitting an excerpt from the Beneficial Ownership Register while verifying through additional (open) sources using automated name screening and—where necessary—documentation provided by the customer as well. It is not clear if this is practice in non-CI financial sectors.

295. The main issue for CIs is the identification and verification of the beneficial owner(s) in more complex ownership and control situations, including with a non-Austrian nexus. Larger, as well as higher-risk, CIs have decreased their risk appetite over the past few years, applying lower thresholds for earmarking ownership and control structures as complex. This triggers enhanced measures and introduces additional enhanced measures such as requiring face-to-face interviews with the beneficial owner(s), reviewing the complete business relationship following any change in beneficial ownership, and requesting notarized documents demonstrating beneficial ownership. Several interviewed (higher risk) FIs also stated they do not onboard customers of which the beneficial ownership structure does not make sense from a commercial perspective.

296. The CI sector has seen a trend towards outsourcing in recent years, which leads in some cases to challenges for the CIs due to a lack of clear definitions and controls. Sixty-seven percent of CIs have at least partially outsourced CDD-related activities, while only a small proportion of CIs (13 percent) still conduct all CDD activities internally. Almost all CIs currently offer online identification, and most have outsourced this process. The use of ID Austria is reported to compensate for risks associated with non-face-to-face interactions, ensuring compliance.

Enhanced or Specific Measures

297. The application of enhanced or specific measures varies significantly between international financial groups, which often leverage consolidated resources and harmonized group-wide policies, and smaller domestic institutions with more limited resources and understanding of ML/TF risks.

298. Overall, FIs and VASPs have measures and systems in place to comply with requirements for enhanced or specific measures, such as regarding PEPs, and high-risk jurisdictions. In some cases, the execution of such measures however, particularly regarding PEPs, is inadequate. Most of the FMA's PEP-related findings relate to failure to adequately determine or screen for the PEP-status of all persons relevant to the business relationship. Most identified breaches are in the VASP sector, followed by CIs. However, the FMA data indicates a positive trend since 2020, but this could be the result of OEs de-risking as well, since some CIs and VASPs met during the onsite visit confirmed they were completely de-risking PEPs.

299. CIs have generally defined and implemented specific processes and measures for CBRs, entailing enhanced ongoing monitoring and the application of EDD. Overall awareness of the associated risks has increased, as demonstrated by an increased number of related STRs/SARs from 252 (2020) to 391 (2024) and led to a downward trend in relationships of Austrian banks with correspondent banks in third countries since 2019.

300. With the rise of VAs and the swift development of new technologies in that area, FIs in Austria face challenges related to the verification of the source of funds involving VAs. Ninety-one percent of CIs are not accepting customers who commercially trade with VAs, and five percent do not accept new customers when they are involved in non-commercial trades of VAs. Almost half of all OEs over the last five years refrained from the introduction of a new product, business model, business segment, market expansion, or other business activities due to the associated ML/TF risks.

301. CIs are generally aware of their wire transfer obligations but some VASPs have challenges in setting up and implementing technological solutions to comply with the FATF's travel rule. The travel rule has been in force in Austria since December 30, 2024.

302. Generally, FIs adequately identify customer relationships related to higher-risk jurisdictions and apply EDD measures, but their customer risk classification remains to be improved. Most instances of non-compliance with EDD requirements are the consequence of deficiencies related to OEs' customer risk assessment and risk scoring system (e.g., insufficient incorporation of risks related to high-risk jurisdictions), rather than outright violations of mandatory EDD measures. This is corroborated by a number of (large) CIs reporting relatively low to very low shares of high-risk customers, while some indicated a very large number of customers categorized as low risk (2 percent high-risk and 93 percent low-risk at one CI, respectively 1 percent and 56 percent at another). The FMA reported a steady increase of customers domiciled in high-risk jurisdictions in recent years, partly due to the inclusion of EU members in the FATF's list of jurisdictions under increased monitoring.

303. The majority of CIs (83 percent) have implemented systemic measures for de-risking specific jurisdictions deemed to be higher risk (e.g., Russia and Belarus).⁴⁷ Most CIs interviewed onsite stated that this is not necessarily done from a ML/TF risk management and mitigation perspective, but rather to avoid non-compliance with sanctions regimes. However, a large CI with presence in Russia stated it has completely ring-fenced its local subsidiary for sanctions compliance and for AML/CFT reasons. Some CIs manage identified higher ML risks related to offshore customers by taking de-risking measures against new customers when domiciled in an offshore jurisdiction, and/or by exiting existing customers once any nexus with an offshore jurisdiction is discovered.

AML/CFT Reporting Obligations, Tipping Off

304. The number of STRs/SARs submitted by CIs and VASPs is steadily increasing but remains low to very low across all sectors. This also considers that CIs often report STRs/SARs from other non-banking FIs in their financial group (where applicable). In general, FIs and VASPs have implemented internal systems and procedures to comply with their reporting requirements. There is no increase in the number of STRs/SARs filed by money remitters or other FIs ([Table](#)).

305. A relatively small number of 59 FIs is responsible for the STRs/SARs filed since 2019, which can be partly explained by the structure of the Austrian financial market, and reluctance of FIs from sub-sectors to file STRs/SARs. Some supervisory findings point to the need for formalization of detailed measures for dealing with affected customers after submitting a STR or to the timeliness of reporting. In practice, the timeliness of STR/SAR filings after the suspicion/reasonable ground first materialized (e.g., alert of monitoring system) is often the cause for further investigations by the FMA, as are inadequate internal reporting/escalation procedures. It is not clear to what extent the overall quality of STRs and SARs has improved over the years, yet some individual cases showed an improved quality.

Table 23. Austria: STRs/SARs Filed From 2019–2024

Source	2019	2020	2021	2022	2023	2024
All REs	267	2,258	3,858	5,424	6,704	11,111
FIs*	264	1,992	2,976	3,450	5,419	9,139
VASPs	-	60	279	1,393	699	1,228
Payment Service Providers	-	180	558	509	513	565
Gambling and betting providers	-	6	4	15	18	18

⁴⁷ The FATF Plenary suspended FATF membership of the Russian Federation on 24 February 2023 ([FATF Statement on the Russian Federation](#)).

Table 23. Austria: STRs/SARs Filed From 2019–2024 (Concluded)

Lawyers	-		2		6		13		8		19
Notaries	-		3		9		13		13		33
Others/Other DNFBSs	3		6		14		17		25		86
Insurance companies	-		9		10		14		9		23
Note: all FI (excluding PSPs and insurance) including the <i>Abbaugesellschaft</i> , the Austrian federal government's restructuring and winding-up agency ABBAG.											

Internal Controls, Procedures and Audit to Ensure Compliance

306. Most FIs have established internal controls, procedures, and audit mechanisms to ensure AML/CFT compliance. Large CIs have set up specialized AML competence centers to enhance resource efficiency and consistent implementation of AML/CFT measures, while providing support to local staff throughout the groups. Smaller CIs have implemented dedicated AML/CFT compliance functions. Onsite inspections of CIs found challenges in the practical suitability and regular updating of these measures.

307. Financial groups implement standardized group-level controls and developed and rolled out uniform AML/CFT policies and procedures, both domestically and internationally. They also provide support and expert advice to subsidiaries and branches to ensure proper application locally. Groups' internal policies and procedures set out that, where there is a conflict between a group standard and local legal requirements, the more stringent rule prevails.

308. Where AML/CFT measures cannot be fully implemented in a third country, OEs apply additional measures to ensure effective management of respective risk. A major financial group reported practical compliance challenges with less stringent legal requirements in non-EU CESEE jurisdictions and took measures to effectively manage the respective risk. Onsite inspection findings in 2021 related to group policies indicated substantial shortcomings concerning the establishment of group-wide policies and such findings dropped largely in 2024, which suggests that CIs have strengthened group-wide compliance frameworks and addressed previously identified weaknesses.

309. While no overall data could be provided on the measures taken to ensure FIs apply the highest standards when hiring staff, there is a low number of findings related to the adequacy of (human) resources during onsite inspections. Almost all FIs have annual AML/CFT training measures in place, including for non-AML/CFT staff members. Almost all related supervisory findings since 2020 concern the VASP sector, with half of those found at VASPs that no longer hold a registration with the FMA.

Legal or Regulatory Impediments to Implementing AML/CFT Obligations and Mitigating Measures

310. FI secrecy laws do not impede the implementation of AML/CFT obligations and mitigating measures. The FM-GwG requires that, for AML/CFT purposes, OEs must exchange information with other OEs about cases that involve the same customer or the same transaction. A large majority of interviewed FIs consider such exchange possible. However, notwithstanding the FMA's communications that financial secrecy does not impede the application of AML/CFT measures, some CIs (of different size and profiles) expressed doubts whether they could exchange customer- and transaction-related information with other FIs without the customer's explicit permission.

Supervisors Risk-Based Monitoring or Supervising Compliance by FIs and VASPs

311. The FMA has a data-driven supervisory framework combining onsite and offsite engagements to monitor and supervise compliance of FIs and VASPs. This approach is risk-based to a moderate extent due to the limitations in its model as described above and based on the following findings.

312. The FMA engages with its OEs based on the outcomes of the RAT, for which a dashboard provides an overview of all relevant risk information of each OE. This includes information on the overall residual ML/TF risk category and sub-risks, and planned and ongoing engagements, while it allows for peer comparisons, trend analysis, and a sectoral overview. Major events or developments in the management of the OE potentially impacting the entity's risk profile are reflected when reported or identified during engagements. The FMA's supervisory approach is modified as necessary.

313. The dashboard supports the data-driven and risk-based selection and planning of supervisory engagements. The dashboard has an integrated planning tool allowing to select OEs based on weights selected for their score on particular risk factors, materiality, and context. The FMA firstly considers risk when selecting OEs for engagement, while it additionally considers institutional size; sectoral criteria to ensure diversification, and cross-checks among all sub-sectors and not only rely on the same OEs; regional criteria; and supervisory perceptions (e.g., findings from prudential supervision). These principles cannot overrule the risk principle but are only added following risk assessment and categorization under the tool. However, given the limited selection of high-risk CIs for onsite inspections and examinations, this seems to work out somewhat differently in practice.

314. The FMA effectively uses different onsite and offsite supervisory tools to engage with FIs and VASPs, and to supervise their AML/CFT compliance to a varying extent. These tools can be grouped into onsite engagements and offsite investigative proceedings. Onsite engagements as defined by the FMA include onsite inspections, onsite examinations, and management talks.

- i. Onsite inspections last between one to three weeks (depending on type of OE and scope) and seek to provide a more thorough systemic analysis of the quality of

OE's AML/CFT set-up and application in practice. Thematic focus areas may apply (e.g., group-wide compliance, specific groups of customers, business risk assessment, personnel resources). Their adequacy is assessed against the entity's ML/TF risk, and FMA staff takes sample cases of customer files and transaction records and conducts in-depth interviews.

- ii. Onsite examinations (or: spot checks) consist of a short meeting with management and compliance staff of an OE to gain an understanding of the set-up of (elements of) its AML/CFT framework. FMA staff do not conduct sample testing of customer files or transactions but may request additional information/documents on a case-by-case basis.
- iii. Management talks focus on AML/CFT strategy and procedures, strategic and other key topics tailored to the respective OE or its management. The FMA organizes them on an ad hoc basis in response to horizontal issues in relation to specific risks (e.g., through whistleblower submissions, media reports, other supervisory perceptions). A management talk may also be conducted as a follow-up to previous onsite inspections or examinations, or proceedings to restore legal compliance. Such talks take the form of a bilateral exchange, or as a broader forum for exchange with multiple OEs. Recent topics included virtual IBANs, online identification, and PEP identification.

315. A further increase in AML/CFT supervisory staff at the FMA is needed to respond to current challenges and foreseen developments. Staffing of the FMA's AML/CFT division is set to increase in the next year to ensure an adequate and effective allocation of human resources for future supervision of the sector. The FMA's AML/CFT division currently has 33.15 FTE which has gradually increased from 13.25 in 2016. In anticipation of the implementation of the new EU AML/CFT framework and the gradual takeover of new duties in the monitoring of TFS and other international financial sanctions starting in 2026, the number of FTE is expected to further increase gradually to 44.25. Given the size of the sectors, the different AML/CFT tasks from market entry to remediation and considering a necessary shift towards extending the number of onsite inspections and targeting more higher-risk OEs annually, a further increase in AML/CFT supervisory FTEs at the FMA should be considered.

Table 24. Austria: Number of Onsite Inspections Conducted at CIs and Share per Risk Category						
Risk score / year	2020	2021	2022	2023	2024	2025 (until 06/30/2025) ^{1/}
low	1 (6%)	1 (7%)	0	1 (6%)	0	0
medium	7 (44%)	6 (40%)	5 (42%)	10 (62%)	5 (38%)	2 (25%)
elevated	4 (25%)	5 (33%)	4 (33%)	2 (13%)	3 (24%)	4 (50%)
high	4 (25%)	3 (20%)	3 (25%)	3 (19%)	5 (38%)	2 (25%)

Table 24. Austria: Number of Onsite Inspections Conducted at CIs and Share per Risk Category (Concluded)

Total:	16 (100%)	15 (100%)	12 (100%)	16 (100%)	13 (100%)	8 (100%)
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^{1/} In addition, the FMA reported a total of 21 onsite inspections (to be) conducted at CIs for 2025: high (5); elevated (5); medium (9) and low (2). Relative share would be: 24 percent, 24 percent, 43 percent, and 10 percent respectively. The FMA's preliminary planning for the 2026 onsite measures (excl. placeholders) already includes a focus on high-risk institutions, covering 11 institutions classified as high-risk where no previous/follow-up proceedings are still open. High-risk institutions that are not covered by that planning (five) were subject to an onsite measure in 2025 and are still subject to follow-up proceedings (e.g., administrative proceeding to restore legal compliance).

Table 25. Austria: Number of Onsite Examinations Conducted at CIs and Share per Risk Category

Risk score / year	2020	2021	2022	2023	2024	2025 (until 06/30/2025) ^{1/}
low	4 (40%)	5 (26%)	1 (9%)	5 (50%)	2 (17%)	2 (25%)
medium	4 (40%)	10 (53%)	10 (91%)	4 (40%)	7 (58%)	3 (38%)
elevated	1 (10%)	3 (16%)	0	0	1 (8%)	3 (38%)
high	1 (10%)	1 (5%)	0	1 (10%)	2 (17%)	0
Total:	10 (100%)	19 (100%)	11 (100%)	10 (100%)	12 (100%)	8 (100%)

^{1/} In addition, the FMA reported a total of ten onsite examinations (to be) conducted at CIs for 2025: high (3); elevated (2); medium (3) and low (2).

Table 26. Austria: Number of Management Talks Conducted at CIs and Share per Risk Category

Risk score / year	2020	2021	2022	2023	2024	2025 (until 06/30/2025) ^{1/}
low	0	0	0	1 (25%)	1 (14%)	0
medium	1 (12%)	1 (20%)	4 (67%)	1 (25%)	0	0
elevated	3 (50%)	2 (40%)	0	1 (25%)	3 (43%)	0
high	2 (33%)	2 (40%)	2 (33%)	1 (25%)	3 (43%)	1 (100%)
Total:	6 (100%)	5 (100%)	6 (100%)	4 (100%)	7 (100%)	1 (100%)

^{1/} In addition, the FMA reported a total of two management talks (to be) conducted at CIs in 2025; one at a high-risk and one at a medium risk CI.

316. While the highest-risk sectors—CIs and VASPs—are consistently targeted for onsite engagements (Table 29), the FMA's onsite inspections are not systematically prioritized to target the highest-risk CIs sufficiently. Based on the number of onsite inspections relative to the total number of CIs per risk category (Table 27), high-risk entities are covered more than other risk categories: on average 26 percent of the total number of high risk, 17 percent of the elevated risk, and 4 percent of the medium risk CIs were included annually since 2020. However, given that onsite

inspections are the only adequate supervisory tool for a thorough review of the effective implementation of CIs' AML/CFT framework, while acknowledging the necessary flexibility to adequately engage with high-risk CIs through a set of different engagements as follow-up in the period after an inspection, coverage of 26 percent on average is somewhat limited, as it would only include high-risk CIs once every four years in an onsite inspection.

317. The number of conducted onsite inspections at high-risk CIs is not in line with the FMA's supervisory strategy. The FMA's strategy for high-risk entities as reflected in its RAT Handbook is to conduct at least one supervisory engagement (onsite or offsite) per year, and a minimum of one full-scope onsite inspection once every three years. Based on an average of 15 CIs categorized as high-risk annually since 2020, five annual onsite inspections of high-risk CIs should have been scheduled as per the FMA's strategy. The actual number however is four and it is not evident that the objective of one onsite inspection at a high-risk CI—with CIs being identified as a high-risk sector—once every three years is adequately ensuring a proper coverage in individual cases. This is especially the case where allocation of other supervisory engagements as intended under the FMA's strategy cannot be established over the review period (see below). The FMA's planning for 2025 indicate five high-risk CIs to be included for inspection in total, while the preliminary planning for 2026 provides for 11.

318. Based on the number of conducted onsite inspections and examinations relative to the number of selected CIs per risk category, the risk-based allocation of these tools to the CI sector is limited. On average, 44 percent of onsite inspections (Table 24) and 58 percent of onsite examinations (Table 25) targeted medium-risk entities, and respectively 24.8 percent and 7.6 percent targeting high-risk CIs. Resources are not per se allocated to reach the largest number of highest risk entities with such thorough supervisory instrument as onsite inspections. Furthermore, it is not clear to what extent the risk understanding of the respective subsectors within the banking sector—as identified under the SRA—is being considered and reflected in the engagements. Management talks are the only onsite tool mostly focused on high-risk CIs (Table 26), but this tool is the least intensive and applied the least often.

319. Authorities did not demonstrate that the frequency of one supervisory engagement at a high-risk CI per year is systematically met over the review period, implementing the FMA's strategy. Before 2024, the FMA did not systematically record whether an onsite engagement was a dedicated follow-up measure to a previous engagement or a stand-alone engagement. For 2025, several onsite engagements include a follow-up angle where the FMA considers elements from previous measures.

Table 27. Austria: Number of CIs per Risk Category per Year (2020–2024)

	High	Elevated	Medium	Low	Total
2020	19	21	187	374	601
2021	17	24	220	279	540
2022	16	22	239	215	492

Table 27. Austria: Number of CIs per Risk Category per Year (2020–2024) (Concluded)

2023	12	19	200	236	467
2024	11	20	200	213	444
average	15	21	209	263	

Table 28. Austria: Number of VASPs per Risk Category per Year (2020–2024)

	High	Elevated	Medium	Low	Total
2020	1	4	4	4	13
2021	5	2	6	9	22
2022	4	0	7	9	20
2023	4	1	5	9	19
2024	4	1	4	3	12
average	4	2	5	7	

320. Finding a better risk-based balance, higher-risk VASPs are covered most often by the FMA’s onsite inspections. Based on the number of onsite inspections relative to the total number of VASPs per risk category (Table 28), higher-risk entities are covered more than other risk categories: on average 47 percent of the total number of high-risk VASPs, 56 percent of the elevated risk, and 29 percent of the medium risk VASPs were included annually since 2020. This would theoretically allow the FMA to meet the set objective of conducting an onsite inspection per high-risk (and even every elevated risk) VASP once every two years. Considering the risk-based allocation of the onsite inspection tool to this sector, both the high-risk category and medium risk category VASPs are each targeted in 43 percent on average of all inspections conducted since 2020, and elevated-risk VASPs counted for the remaining 14 percent. Overall, the number of onsite inspections at VASPs since 2020 is 22 (on average 4 per year).

321. The number of the FMA’s onsite engagements, including inspections, with non-banking FIs is very low, to a certain extent in line with the perceived low to moderate sectoral risk, materiality and the fact that in the sectors of EMI, investment fund management companies/AIFM, securities firms and PI, no entity was categorized as high risk in the review period. The latter could, at least partially, be the result of the identified weaknesses in the FMA’s risk assessment model (as described above). These engagements do not primarily target highest-risk OEs either. Onsite engagements are increasing in the securities sector (Table 29). Regarding onsite inspections specifically, three onsite inspections were conducted for the money remittance sector since 2020, two in total since 2020 for the securities companies sector, and one for asset managers in 2022. Insurance companies were subjected to 1.3 onsite inspections per year.

Table 29. Austria: Total Combined Number of Onsite Engagements (i.e., Onsite Inspections, Onsite Examinations, Management Talks) per Year and Type of Entity

Type of entity	2020	2021	2022	2023	2024	2025 (up until 06/30/2025)
Banks	32	39	30	31	32	17
Payment institutions	2	1	1	2	2	0
E-Money institutions	0	0	1	0	1	1
Money remitters	0	3	2	0	0	0
Securities firms	1	2	2	5	6	3
Insurance companies	2	3	1	3	3	1
Investment fund						
Management companies/ AIFM	1	3	1	1	0	0
VASPs	6	18	8	3	7	5

322. The RAT Handbook is not clear on the extent to which the intensity and scope of engagements depend on the risk profile of the individual entity, as well as on the outcome of previous engagements (e.g., follow-up investigation and administrative/sanctioning proceedings). There is no set policy with respect to adjusting the frequency of engagements, but the annual onsite inspection plan provides for flexibility to respond to developments. For this purpose, around four timeslots are blocked every year to allow for inspections on an ad hoc basis following the detection of additional or new information justifying such measure (e.g., whistleblowing reports, investigations by other authorities, etc.). These timeslots have been used to some extent since 2021 to verify allegations promptly and in detail. Of the 12 OEs subject to ad hoc engagements in 2023 and 2024, three had a high-risk profile, four medium-risk, and five low-risk.

323. As applied by the FMA, both onsite inspections and examinations are effective and complementary supervisory tools. OEs consider the inspections thorough and precise, which include necessary sample testing (using detailed test case and transaction documentation requested prior to the visit), walk-throughs, interviews, and cross-checks. Onsite examinations, even though much less intensive, are an effective tool to address imminent issues in a short time by getting a prompt clarification about an OE's efforts to understand a particular exposure and set up its mitigating measures. Prior to an onsite examination, the FMA uses an extensive questionnaire and

test cases for transactions and customer files, as well as relevant data and information from the dashboard.

324. The focus of the onsite inspections is found to be predominantly on high-risk areas.

This includes the application of EDD in relation to customers domiciled in offshore jurisdictions, the verification of the identity of their beneficial owners, as well as transactions carried out by those customers or transactions related to offshore jurisdictions going to or coming from resident customers and CBRs.

325. The FMA conducts inspections to financial groups' foreign subsidiaries and branches in the CESEE region, but their number remains low considering the ML exposure of these entities (Table 30).

The selection of locations for the higher-risk sectors (banking and VASP) does not demonstrate risk-based prioritization of jurisdictions, nor the most material (beside the inspection in Czechia, Table 30). The FMA does not store information on the offsite engagements concerning group activities in the CESEE region in a structured manner, since most offsite engagements outside of formalized engagements take place on an ad hoc basis.

326. The FMA regularly organizes AML/CFT Colleges, which are, to a large extent, considered an effective tool to enhance implementation of group-wide AML/CFT policies and procedures. Six colleges were organized in 2024, five in 2023, and eight in 2022, almost all related to CIs active in CESEE region.

327. The Colleges facilitate cooperation and information exchange with foreign counterparts but are not completely organized on a risk-oriented basis. Their organization considers factors such as the number of branches abroad, the entity's risk classification, and its business model. However, it does not take into account the EU or third country location of the subsidiaries and branches, which is an important risk factor.

Table 30. Austria: Overview of Onsite Inspections and Examinations at Foreign Subsidiaries and Branches			
Year	Sector	Country	Type engagement
2021	bank	Switzerland	onsite inspection
	insurance company	Cyprus	onsite inspection
2022	bank	Bosnia and Herzegovina	onsite inspection
2023	bank	Czechia	onsite inspection
	bank	Germany	onsite inspection
2024	VASP	Germany	onsite inspection
	bank	Montenegro	onsite inspection
	insurance company	Albania	onsite examination
	bank	Albania	onsite examination

328. The FMA's main offsite engagement—investigative proceedings—do not directly ensure targeted systematic remediation of breaches. Investigative proceedings follow a formal procedure but are not concluded with a report of findings and instructions to the involved OE for remediation, which are instead included in a subsequently initiated proceeding to restore legal compliance. Drawing upon the various sources of information at hand (e.g., A-FIU disseminations, whistleblowers, media, and occasionally RAT questionnaire) the FMA may initiate such investigative proceedings to determine potential AML/CFT breaches. The FMA considers them as an integral part of the assessment of the quality of AML/CFT systems and measures. While most proceedings are conducted offsite and (non-systemic) deficiencies or violations in most instances are remedied during the proceedings, follow-up procedures may be required. An extensive use of this tool can be considered a less effective use of resources, particularly when not conducted risk based. However, such use has declined since 2022 (Table 31).

Table 31. Austria: Breakdown of Investigative Proceedings per Sector and Year						
Sector	2020	2021	2022	2023	2024	2025 (up until 06/30/2025)
Banks	172	203	178	128	80	46
Payment institutions	3	1	1	0	1	0
E-Money institutions	0	0	1	0	0	0
Money remitters	0	0	1	0	0	1
Securities firms	0	0	0	0	0	1
Life insurance companies	0	0	0	0	1	0
Investment fund management companies/ AIFM	0	0	0	0	0	0
VASPs	16	13	19	3	6	5
No OE ^{1/}	5	2	3	2	5	4
Total per year	196	219	203	133	93	57
^{1/} This relates to non-AML/CFT regulated entities and to natural persons, such as whistleblower cases in which no OE is involved.						

Impact of Monitoring, Supervision, Outreach, Remedial Actions and Effective, Proportionate and Dissuasive Sanctions on FI and VASP Compliance

329. The FMA's supervision, monitoring, outreach, training, and enforcement have had a demonstrably positive effect and, to a large extent, improved compliance among FIs and VASPs over time. The FMA provides guidance through its circulars on interpreting legal requirements and identifying best practices, and to OEs individually by answering legal enquiries and by giving feedback during engagements. These efforts have reduced supervisory findings related to reporting violations, while increasing STR filings in the CI sector, indicating heightened vigilance and improved monitoring among OEs.

330. In its onsite inspections and offsite investigations, the FMA has repeatedly focused on high-risk products and customers. These include business relationships with customers domiciled in offshore locations. The regulatory focus on adequate application of EDD measures coupled with improved risk understanding has led to a reduction of CIs' offshore customers. Regarding high-risk products, the FMA demonstrated effect through a case study where, in close cooperation with the A-FIU, based on its internal investigations, a subsequent onsite inspection and a fine of EUR 100,000 led a CI to stop issuing a specific high-risk product (i.e., unnamed saving books). This demonstrated a broader effect in the sector as well.

331. The FMA initiates proceedings to restore legal compliance, requiring an OE to restore compliance within a set timeframe while providing guidance where necessary. Such proceedings remain open until compliance is fully restored by the OE and are closed with an administrative notice. The proceedings may be an initial step to imposing a fine if the proceedings are not complied with. The FMA initiated 27 of such proceedings in 2020 (including 25 to CIs), 12 in 2024, and 5 in the first half of 2025.

332. However, the FMA's focus on identification of suspicious activities and subsequent filing of STRs is not sufficient to substantially increase compliance with reporting obligations. This is grounded in a very low number of targeted findings during onsite inspections on reporting to the A-FIU⁴⁸ (18 in the CI and 14 in the VASP sector, since 2020) and a very limited number of STRs/SARs filed across the sectors (Table 23).

333. While the overall number of remedial actions is decreasing, the overall number of findings (weaknesses and breaches) is not. However, the number of systemic and serious identified infringements at CIs has decreased from 62 in 2020 to 33 in 2024. In conjunction with the subsection on FI and VASP Understanding and Compliance with AML/CFT Obligations and Mitigating Measures, this indicates that CIs' compliance is improving, while the identified infringements require less stringent measures for effective remediation.

⁴⁸ Identified weaknesses and breaches concerning Art. 16 of the FM-GwG.

334. The number of effectively applied administrative sanctions (fines, publications of fines, and license withdrawals) has remained stable. There were three sanctions on CIs in 2020 ⁴⁹ and five in 2024.⁵⁰ In 2023, the FMA initiated 48 administrative penal proceedings (first instance) on AML/CFT, including proceedings against responsible natural persons as part of the prosecution of the legal person. In 10 cases, penal orders imposing a fine were issued, of which 7 related to CIs in Austria, 1 case to an insurance company, 1 to a VASP, and 3 to a natural person.

335. In the imposition of fines, the FMA focuses on legal breaches of policies and procedures (Art. 23 FM-GwG), as well as on breaches of the FM-GwG in individual cases (customer files and transactions). Thirteen fines were issued on OEs of which nine on CIs in 2024, and two in 2025 (as of June 30, 2025). In addition, the FMA increasingly uses publication of fines as a sanctioning tool: one in 2020; one in 2021; one in 2022; one in 2023; four in 2024; and three in 2025 (up to June 30, 2025). The published fines were imposed on CIs in nine cases, with an amount of EUR 490,444 on average, with one outlier of EUR 2 million, and on two insurance companies (EUR 40,000 and EUR 367,542).

336. The risk of sanctioning for breaches of AML/CFT requirements and publication of the sanctions have a demonstrated effect on the overall awareness among FIs and VASPs. This is especially the case at an executive level, as reputational risks may be considerable. The FMA pursues a consistent zero-tolerance policy for particularly serious breaches, which is evidenced by withdrawals of two banking licenses in 2020 and 2025, and four VASP registrations between 2020 and 2024 due to continued systematic AML failures. Furthermore, the FMA has also rejected new applications and acquisitions (both in the VA sector and in the financial sector) due to increased ML/TF risk and has prompted 18 voluntary withdrawals of VASP registrations due to its increased supervisory activities (2 in 2021, 4 in 2022, 6 in 2023, 6 in 2024).

337. Besides the feedback provided throughout supervisory engagements, the FMA actively and regularly engages with the supervised entities and stakeholders. This includes discussing and informing them about the latest regulatory and supervisory developments, providing practical guidance with regard to the implementation of AML/CFT requirements through a range of formats, or answering of legal enquiries.

⁴⁹ In addition, two sanctions were imposed, which were appealed. In one case, the FMA has been upheld in the merits, and the fine was reduced. In the other case, the FMA has been confirmed for the second time by the Federal Administrative Court (BVwG), and the matter is pending before the Supreme Administrative Court (VwGH) in the second round of legal proceedings.

⁵⁰ In addition, four sanctions were imposed, which were appealed. All proceedings are currently pending before the BVwG, three of which have been suspended due to preliminary ruling requests submitted by the BVwG to the Court of Justice of the European Union (CJEU).

NON-FINANCIAL SECTOR SUPERVISION AND PREVENTATIVE MEASURES

The relevant Immediate Outcome considered and assessed in this chapter is IO.4.⁵¹ The Recommendations relevant for the assessment of effectiveness under this chapter are R.22, 23, 28, 34 and 35 and elements of R.1, 29 and 40.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Most DNFBP supervisory authorities take a reactive approach to market entry controls and available data does not demonstrate the effectiveness of their control measures. Casinos are subject to effective licensing and regulatory measures. Real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS are subject to upfront criminal conviction checks, whereas lawyers and notaries undergo prior fit and proper assessments. Supervisors do not have specific procedures in place to ensure periodic reviews of these checks. Apart from monitoring of casinos, monitoring of market entry controls, including the detection of unlicensed activity, breaches in the other sectors are not effectively detected and addressed.
- b. DNFBP supervisory authorities for casinos, tax advisors undertaking TCSP services, and accountants, and notaries and lawyers to a certain extent, have an adequate understanding of the main sectoral and individual DNFBPs' ML/TF risks. DNFBP supervisory authorities for real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS do not have an adequate understanding of sectoral and individual DNFBPs' risks.
- c. DNFBP supervisors' risk understanding is negatively affected by a lack of detailed analysis in the NRA of threats and vulnerabilities specific to the different DNFBP sectors, as well as by a lack of comprehensive supervisory data collected. DNFBP supervisors have started to increase their engagements with supervised entities to promote understanding of ML/TF risks and AML/CFT obligations, but this has not yet yielded a measurable impact on compliance.
- d. DNFBPs' understanding of their sectoral and individual ML/TF risks varies significantly across sectors and is weakest among the high-risk sectors. Casinos, notaries, and lawyers have a more solid risk understanding, with weaknesses related to vulnerabilities such as use of cash or fraudulent companies. Despite their high-risk context, real estate agents, TCSPs (other than tax advisors), and DPMS do not have a sufficient understanding of sectoral risks. This

⁵¹ When assessing effectiveness under Immediate Outcome 4, the Assessment Team should take into consideration the risk, context and materiality of the country being assessed. The Assessment Team should clearly explain these factors in Chapter One of the mutual evaluation report under the heading of DNFBPs, as required in the instructions under that heading in the Methodology.

overall weak risk understanding is also reflected in the very low level of STR reporting across DNFBPs.

- e. Equally, DNFBPs' understanding of and compliance with their AML/CFT obligations varies significantly across the sectors. Casinos and notaries, have a good understanding of their obligations. Notaries are supported by a more complex compliance system provided by the *Notartreuhandbank* (NTB). Real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS only have a basic level of understanding and compliance. Specific shortcomings reported by supervisors relate to customer identification, risk-based application of CDD/EDD measures, recordkeeping, and lack of STR reporting.
- f. Most DNFBP supervisors are still in the process of developing or have only very recently developed a risk-based approach and do not currently subject all higher-risk entities to regular on- and offsite supervision. Except for casinos, notaries, and lawyers, monitoring and supervision is over-reliant on high-level self-assessments by the OEs. Supervisors do not conduct thematic or targeted supervisory engagements and are not able to detect systemic and serious infringements. The supervisory approach for real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS is fragmented across 94 local district authorities⁵² and not consistent. Supervisory resources between authorities vary considerably and are in most sectors not adequate compared to the number of supervised entities.
- g. Apart from the casino sector, DNFBP supervisors' monitoring activities have not demonstrated a tangible positive effect on compliance of the DNFBP sector. Most outreach and training initiatives were only rolled out recently and have therefore not yet effectively improved compliance among DNFBPs. The authorities have only applied a very low number of remedial actions and sanctions to address observed breaches.

Key Recommended Actions (KRAs)

- a. DNFBP supervisors, except for casinos, and particularly those overseeing real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS, should develop and maintain an up-to-date understanding of the sectoral and individual DNFBPs' risks, namely related to the size, complexity of specific activities and services, cross-border ML/TF risks, and the client base of the sectors they supervise. As a first step, they should gather more comprehensive quantitative data and consider information on contextual factors on each DNFBP's specific ML/TF risks, which should go beyond high-level information already collected through self-assessment questionnaires. Supervisors should have mechanisms in place to ensure consistent data collection and data quality controls.
- b. Austria should continue to promote changes, including ongoing centralizing efforts within the current supervisory framework, to allow for the further development and implementation

⁵² In the states of Vorarlberg, Styria, and Upper Austria these have been concentrated into one authority.

of a consistent and aligned risk-based supervisory approach for the supervision of real estate agents, TCSPs (other than tax advisors), and DPMS at the national level.

- c. DNFBP supervisors, except for casinos, and particularly those overseeing real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS, should enhance the effectiveness of their supervision by:
 - a. having measures in place to ensure that higher-risk entities are subjected to and prioritized for regular engagements, including onsite inspections, and that all entities are given adequate risk-profiles informing on- and offsite supervision.
 - b. increasing supervisory human resources and adequately allocating them for AML/CFT supervision in line with the ML/TF risks identified for each sector, entity, and the number of entities under supervision.
 - c. Ensuring that supervised entities improve compliance, notably including identification and reporting of suspicious transactions, through the issuance of sector-specific guidance and the application of remedial measures and proportionate and dissuasive sanctions.

Other Recommended Actions

- a. DNFBP supervisors of real estate agents, TCSPs, notaries, and lawyers should develop a coordinated strategy to understand and address the cross-cutting ML/TF risks linked to products or services provided related to the real estate sector.
- b. Supervisors of the higher-risk sectors of real estate agents, TCSPs (other than tax advisors), and DPMS, should ensure that these entities (i) improve their understanding of their existing and evolving sectoral and entity-level ML/TF/PF risks, and (ii) apply adequate preventive measures, including improving their STR reporting.

Overall Conclusions on IO.4

338. Austria's DNFBP sector is very heterogeneous and shows different levels of development of AML/CFT supervision and implementation of preventive measures and across the board moderate level of effectiveness. Overall, major improvements are needed to ensure that risk-based supervision and monitoring by the various supervisors identifies, assesses, and mitigates the ML/TF/PF risks in the different types of DNFBPs and improves their understanding and compliance over time.

339. DNFBPs' understanding of their sectoral and institution-level ML/TF risks varies significantly across sectors and is weakest among the high-risk sectors. Despite their high-risk context, real estate agents, TCSPs (other than tax advisors), and DPMS did not demonstrate a sufficient understanding of their existing and evolving sectoral ML/TF/PF risks.

340. Some supervisors have a more robust approach to risk assessment and risk-based supervision in place. The casinos supervisor, for instance, is aware of existing ML/TF risks specific to their sector and has an adequate supervisory strategy and methodology in place. In addition, notaries and lawyers are subjected to general audits that include checks on the quality of AML/CFT controls.

341. In other DNFBP sectors however, supervision does not follow a risk-based approach and is very limited. Major deficiencies remain with Austria's risk-based supervision of real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS. This is negatively impacted by supervisors' lack of risk understanding of these high-risk and material sectors and insufficient data gathering.

342. Coordination at the national level for cross-cutting ML/TF/PF risks, such as risks emanating from the real estate sector (which involves more than one type of DNFBP and several supervisors at the national and district level), and for the supervision of real estate agents, TCSPs (other than tax advisors), and DPMS, is still nascent and needs to be further developed.

343. DNFBPs' implementation of AML/CFT obligations is still underdeveloped in many sectors. Despite the promotion of outreach initiatives by supervisors, compliance needs to be strengthened by effective monitoring, and the issuance of remedial actions and effective, proportionate and dissuasive sanctions.

344. Austria is rated as having a Moderate level of effectiveness for IO.4.

B. Immediate Outcome 4

345. Considering the ML risks in Austria, the assessment team gave the greatest importance to real estate agents and TCSPs (including tax advisors undertaking TCSP services). The real estate sector holds the greatest importance due to the ML/TF/PF risks connected to real estate transactions in Austria, particular through high-value real estate purchases by PEPs, foundations, or foreign companies (Introduction/IO.1).

346. Great importance was also given to DPMS, considering the risk of ML associated with the use of cash and the absence of legal limits to cash purchases. In Austria, DHVG are also considered DNFBPs, but they fall outside the scope of the FATF Methodology.

347. Lawyers and notaries were given moderate importance. Notaries, and to some extent lawyers, are involved in real estate transactions as a main service, but data on luxury real estate purchases supported by their services is lacking granularity. Services include drafting of contractual documents for land register filings and for transacting real-estate purchases as escrow agents. Data on escrow accounts opened by lawyers and notaries for real estate purchases is not comprehensive enough to provide insights on high-end purchases. Over the period under review, notaries opened an average of 1,528 escrow accounts for purchases between EUR 1 to 5 million and 171 accounts for

purchases between EUR 5 to 10 million. Similar information is not available for lawyers. About 27 percent of lawyers' activities are related to financial and real estate transactions and as such subject to AML/CFT due diligence obligations.

348. Tax advisors undertaking TCSP activities, lawyers, and notaries will frequently register for their clients the relevant information on the Beneficial Ownership Register. Beneficial ownership registrations of legal persons conducted by tax advisors have almost tripled over the past five years, while registrations performed by lawyers and notaries have remained relatively stable.

349. Casinos and accountants⁵³ were considered of low importance due to their relatively lower materiality. The casino sector is highly consolidated and licensed and comparatively less material (Introduction). Accountants also represent a lower risk profile, as they do not directly manage funds and do not have a central role in high-risk business services like company formation, nominee services, or real estate transactions.

350. DNFBPs are supervised by different ministries, SRBs, regional, and local district authorities. Real estate agents, TCSPs (excluding tax advisors undertaking TCSP activities), and DPMS are supervised by 94 different local district authorities, regional authorities, and coordinate at the BMWET. Lawyers and notaries are respectively supervised by the Austrian regional Bars and regional notarial Chambers. The Austrian Chamber of Tax Advisors and Public Accountants supervises tax advisors, including those undertaking TCSP services) and public accountants. Private accountancy professionals are supervised by the Austrian Economic Chambers (WKÖ). Casinos are supervised by the tax authority and the BMF (Introduction).

Licensing, Registration and Controls for DNFBPs Preventing Criminals and Associates from Entering the Market

351. The casino supervisors have controls in place for preventing criminals and their associates from entering the market and the Financial Police, an investigation and control unit of the Ministry of Finance (MoF) Anti-Fraud Office, is able to detect unlicensed activity, including online activity. Notaries and lawyers are subject to prior fit and proper assessments, which include AML/CFT-related checks. Other DNFBPs are subject to criminal conviction checks. However, except for casinos, DNFBP supervisory authorities do not actively monitor for market entry controls to detect and address possible breaches of licensing provisions, or unlicensed or unregistered activity.

Market Entry Controls

352. When registering real estate agents, TCSPs (other than tax advisors), and DPMS, the grounds for exclusion from the trade profession are examined based on criminal convictions, financial penalties, and possible insolvency. Natural persons are prohibited from engaging in the professions of real estate agent, DPMS, and TCSP if they have been convicted of offenses involving a

⁵³ In this case, chartered public accountants and private accountancy professionals.

sentence of more than 3 months or a fine of more than 180 daily rates, different types of fraud, or narcotics trafficking. Regional authorities have access to information on criminal records and indicated that they review this information during onsite checks. Measures to prevent associates of criminals from being professionally accredited or holding (or being the beneficial owner of) a significant or controlling interest, or holding a management function in the trade profession, are not systematically conducted.

353. The supervisory authorities for real estate agents, TCSPs (other than tax advisors), and DPMS failed to demonstrate the effectiveness of their control measures. During licensing and registration, checks of their applications as well as on persons holding senior management functions, holding a significant or controlling interest or on their beneficial owners are not systematically and effectively conducted. Data, including on applications received, approved, rejected, or withdrawn by the applicant, did not demonstrate that refusals, and withdrawals are connected to the punishable offenses stipulated above.

354. Lawyers and notaries are subject to fit and proper assessments prior to and during their admission or appointment and may be debarred from exercising if found guilty of criminal offenses. The authorities require the submission of an extract from the criminal record together with an affidavit. Data provided on applications rejected or withdrawn by the applicant during the period under review did not identify rejections or withdrawals for notaries. For lawyers, a total of seven applications for entry in the list of lawyers were withdrawn in 2020–2023. Reasons for withdrawal go beyond fit and proper assessments but included failed fitness checks.

355. Public accountants, tax advisors undertaking TCSP services, and private accountancy professionals are subject to a professional accreditation/licensing process, which requires criminal record certificates and insolvency register extracts. The applicants may be excluded from exercising the professions if found guilty of criminal offenses. In the last five years, two accountants and one public accountant have been excluded from office due to being found guilty of criminal offenses. The supervisory authorities do not have measures in place to prevent associates of criminals from being professionally accredited.

356. Previously fully state-owned, casinos in Austria are licensed by the state with only one license for land-based casinos (with several outlets) and one for internet casinos. The Tax Authority is responsible for granting such licenses. The federal government holds a significant indirect stake in both license holders.

357. Regulatory measures prevent criminals or associates of criminals from owning or operating casinos, and recently also cover beneficial owners of a significant or controlling interest. The management of casinos must meet a set of criteria, including the absence of convictions for offenses that involve a criminal sentence of more than three months. In addition, shareholders who can exercise a significant or controlling interest must meet fitness and propriety requirements related to their sound management and reliability. As a result of the adequate implementation of these measures, the federal government has never withdrawn a license to date.

358. In May 2025, the BMF published two new decrees related to beneficial owners. These decrees aim to ensure that no criminals or their associates, or persons otherwise known to be close to them, have a share in the license applicant/holder, have a controlling influence or are legally or actually involved in the management of the licensed applicant/holder of a casino. The decrees were only recently enacted, but casino supervisors demonstrated that they already considered the new requirements during the latest fit and proper checks carried out.

Detecting and Addressing Breaches

359. Regarding ongoing monitoring of fit and proper requirements, and detection of individuals who may be operating without a license, no specific procedures are in place to ensure periodic reviews of the maintenance of such requirements. Data on detection and sanctioning of unlicensed or unregistered activity is lacking. Apart from the casino supervisors, who maintain regular supervisory actions on the sector as a whole, which is also monitored by the MoF's Financial Police to detect unlicensed activity, most DNFBP supervisory authorities take a reactive approach. They either only review the relevant information prior to onsite inspections or rely on information that might be provided by criminal investigation authorities or courts. The authorities lack data or case examples on withdrawals of licenses or removal of persons holding relevant functions related to situations of criminals and associates of criminals operating in the market, and regarding detecting unlicensed or unregistered activity.

Supervisors Identifying, Understanding and Promoting DNFBP Understanding of ML/TF Risks

360. Except for casinos, notaries, lawyers, and accountants, DNFBP supervisors do not have a good understanding of the main threats, vulnerabilities, and ML/TF risks impacting their sectors. Additionally, all supervisors, except for casinos, still present fundamental shortcomings in their ability to identify and understand ML/TF risks of individual DNFBPs. Supervisors have only very recently increased their engagement with DNFBPs to promote entities' understanding of ML/TF risks and AML/CFT obligations.

Identifying and Maintaining an Understanding of the ML/TF Risks in the Different Sectors and Types of DNFBPs and of Individual DNFBPs Over Time

361. All DNFBP supervisory authorities took part in the NRA process, however they demonstrated significant differences in risk understanding. While Austria made progress in its 2025 NRA to better substantiate its risk analysis in some key sectors, the 2025 NRA is lacking detailed analysis on specific DNFBP subsectors (IO.1). It includes individual sectoral risk assessments for lawyers, notaries, accountants, tax advisors including those undertaking TCSP activities, and auditors, casinos, and real estate agents, other TCSPs, and DPMS. These however rely heavily on the threats identified in the EU SNRA and do not provide granular insights on the threats and vulnerabilities specific to the Austrian risk and context. The NRA does not provide comprehensive analyses for the high-risk sectors such as real estate agents, all TCSPs, and DPMS, as it relies heavily

on general analysis from the EU SNRA and does not develop a specific threat picture in line with Austria's risk and context.

362. Except for casinos, accountants (including tax advisors undertaking TCSP activities), and notaries and lawyers to some extent, DNFBP supervisors still lack an adequate understanding of the main general threats identified in the NRA, and the specific vulnerabilities and exposure to ML/FT risks impacting their sectors. Sectors that have risk-profile tools in place, such as real estate agents, other TCSPs, DPMS, and private accountants, were not able to demonstrate that these tools are mature enough to correctly identify sectoral ML/TF/PF risks. For example, for Austria's high-risk real estate sector (IO.1), the TCSP sector (other than tax advisors undertaking TCSP activities), and for lawyers and notaries (who lack risk assessments of individual entities), supervisors failed to identify specific vulnerabilities or acknowledge how their sector was exposed to certain relevant vulnerabilities, e.g. use of cash or misuse of company creation (so-called fraudulent companies). Regarding the TCSP sector, supervisory authorities are unable to distinguish between business consultants performing TCSP activities and business consultants that are not.

363. The ML/TF risk understanding of most DNFBP supervisors is also hampered by a lack of reliable data. Most data collection on inherent risk and existing AML/CFT controls started very recently between 2023 to 2024, and data collection from the notary sector will only start in 2025/2026. Regarding real estate agents, all TCSPs, DPMS, and accountants, the information collected is very high-level, based on dichotomous survey questionnaires and consequently over-reliant on the DNFBPs' self-assessment. Supervisors do not have adequate procedures in place to systematically check information collected and assess data quality. Specifically for real estate agents, TCSPs, and DPMS, supervisors lacked reliable data on the different sectors under their supervision, e.g., the size and nature of the services provided by them.

364. Except for the casino supervisor, the authorities did not provide sufficient information to demonstrate their understanding of individual risk of DNFBPs. In some cases, the authorities were unable to correctly identify the existence of higher-risk entities or specific ML/TF risks connected to them, for example for real estate agents.

365. Austria's different regional supervisory authorities for real estate agents, TCSPs (other than tax advisors), and DPMS represent a very fragmented institutional framework. They have begun to implement coordinating mechanisms to promote consistency of supervisory risk assessments within each supervised sector. However, due to the recent nature of most of these initiatives, which have been implemented since 2023/2024, their impact on risk understanding has not yet been demonstrated.

Promoting DNFBP Understanding of ML/TF Risks and AML/CFT Obligations

366. Supervisors have increased their engagement to promote entities' understanding of ML/TF risks and AML/CFT obligations, but this has not yet demonstrated an effective impact, except for casinos. For their exchanges with the DNFBP sector, supervisors mostly rely on three

PPPs, i.e., for casinos (PPP gambling/betting), real estate agents, TCSPs (other than tax advisors undertaking TCSP activities), DPMS, and other DNFBPs (PPP trading sector), and lawyers and notaries (PPP legal advisory sector). Through the PPPs, in collaboration with different authorities and the A-FIU, supervisors also issued several guidance documents between November 2023 and March 2025. Outside of the scope of PPPs, the A-FIU also initiated various initiatives to increase the level of STR among DNFBPs, including training events for the real estate sector, which the A-FIU considers particularly vulnerable to ML (IO.6). These measures reflect supervisors' current focus on the DNFBP sector but have to date not markedly improved entities' understanding of their specific ML/TF risks (particularly in high-risk sectors such as real estate) and obligations, such as implementation of adequate CDD measures.

367. Supervisors have also started to promote various AML/CFT awareness-raising initiatives and specific trainings. However, most of these took place between late 2023 and 2024 and focused on basic key AML/CFT issues, such as raising general awareness. These initiatives focused on sectors unfamiliar with their AML/CFT obligations, such as real estate agents, TCSPs (other than tax advisors undertaking TCSP activities), and DPMS, and explained e.g., the need to register with goAML. Except for notaries and casinos, where frequent interaction between supervisor and the OEs has led to the entities' good understanding of ML/TF risks and AML/CFT obligations, the impact on the understanding among other DNFBPs, in particular high-risk subsectors, has not yet been demonstrated.

DNFBP Understanding of Existing and Evolving ML/TF risks

368. DNFBPs' understanding of their sectoral and internal ML/TF risks varies significantly across sectors and is weakest among the high-risk sectors. Casinos demonstrated a good understanding of ML/TF risks. Notaries and lawyers are generally risk-aware but demonstrated some shortcomings. Tax advisors undertaking TCSP activities and accountants showed a basic understanding of ML/TF risks. Despite their high-risk context, real estate agents, other TCSPs, and DPMS did not demonstrate a sufficient understanding of their existing and evolving ML/TF/PF risks.

369. Real estate agents, TCSPs (other than tax advisors undertaking TCSP activities), and DPMS in general were unable to demonstrate a correct understanding of existing or evolving sectoral and internal ML/TF risks. At entity-level, they demonstrated over-reliance on their perception that their networks of clients are always low risk, and on the role played by other DNFBPs, especially when notaries or lawyers intervene.

370. The real estate sector, in particular, was not able to recognize its exposure to sectoral ML/TF risks. This contrasts with the findings of the NRAs' assessment that this sector continues to present heightened opportunities for ML and PF (Introduction and IO.1). Fundamental improvements are still needed, especially when considering sectors such as real estate agents and TCSPs (other than tax advisors undertaking TCSP activities), whose services, when connected to higher risk clients or transactions, are usually complex in nature and may involve several intermediaries.

371. Notaries and lawyers were generally aware of sectoral ML/TF risks but could not always identify relevant risks connected to Austria's context or internal risks related to the services specifically provided by them. They could not always identify exposure to relevant vulnerabilities such as the use of cash or use of fraudulent companies.

372. Tax advisors undertaking TCSP services and accountancy professionals have a more limited and high-level understanding of their sectoral and internal ML/TF risks. Although tax advisors undertaking TCSP activities are responsible for registering clients in the Beneficial Ownership Register and demonstrated a good knowledge of how they should identify beneficial owners, they were unable to correctly identify the specific ML/TF risks they are exposed to, when considering their network of clients or services provided. With regards to TCSPs (other than tax advisors), authorities demonstrated a very low understanding of the activities, risks and compliance with CDD obligations, including regarding the identification and verification of beneficial owner, of these OEs. Due to lack of data and information on TCSPs (other **obligations and mitigating measures** than tax advisors), authorities were unable to demonstrate that these OEs are able to correctly identify the specific ML/TF risks they are exposed to and comply with their AML/CFT obligations, including correctly identifying and verifying beneficial owners.

373. Casinos demonstrated a good understanding of sectoral and internal ML/TF risks. They were able to identify specific risks related to types of customers and transactions, differentiating between risks related to land-based casinos and online casinos, and were aware of new ML/TF trends and typologies.

374. The DNFBP sector's varied and often insufficient ML/TF risk understanding is also reflected in the very low number of STRs/SARs submitted during the period under review (Table 32).

DNFBP Understanding and Compliance with AML/CFT Obligations and Mitigating Measures

375. With the exception of casino supervisors, DNFBP supervisors could not provide sufficiently detailed information of their respective sectors' understanding of and compliance with AML/CFT obligations and mitigating measures. This includes a lack of disaggregated data on DNFBPs' understanding of AML/CFT obligations and effective application of appropriate measures with regards to (a) CDD, including in relation to beneficial ownership and record-keeping; (b) enhanced or specific measures for (i) PEPs, (ii) new technologies, and (iii) high-risk countries identified by the FATF; (c) reporting obligations, including prevention of tipping-off; and (d) internal controls and procedures, and audit requirements. No legal or regulatory requirements impeding implementation of AML/CFT obligations and mitigating measures were identified.

376. Based on the information collected by the assessment team, understanding and compliance of individual DNFBPs with AML/CFT obligations and mitigating measures varies significantly across the different types of DNFBPs. All DNFBPs are aware of the need to collect information for CDD purposes, however, most do not demonstrate a good level understanding of

which situations should trigger EDD measures or what kind of measures should be applied in those instances.

377. DNFBPs' understanding of and compliance with their AML/CFT obligations varies significantly across sectors. Casinos demonstrate a good level of understanding and compliance, as do notaries, who are able to rely on a more complex compliance system, supported by the services provided by the *Notartreuhandbank* AG (NTB—a bank solely serving the notary sector), to process payments from buyer to seller in real estate (in lieu of escrow accounts at any other bank).

378. Real estate agents, TCSPs (other than tax advisors), and DPMS as a whole, did not demonstrate an adequate level of understanding and compliance with their AML/CFT obligations, also reflected in their low levels of STRs reported. They do not have AML/CFT procedures in place, e.g., to guide the application of general CDD measures versus when to apply EDD measures. They were unable to provide cases of STRs submitted. As they present the largest number of entities combined in the DNFBP sector, their low level of STR reporting (Table 41) is also significant.

379. Lawyers are generally aware of their AML/CFT obligations. They conduct CDD checks, and, in certain situations, will apply EDD measures, such as collection of information on the source of funds. The most common deficiencies identified by the supervisor are the failure to conduct adequate risk self-assessments, to establish and verify the identity of the client or counterparty and the beneficial owner in transactions with ML/TF risk, or to perform checks for transactions with ML/TF risk. Deficiencies related to record-keeping and training were also identified.

380. Private accountancy professions demonstrated a basic understanding and compliance of AML/CFT obligations. The most common deficiencies identified by the supervisor are related to failure to conduct appropriate risk assessments and to fulfil CDD obligations.

381. Although tax advisors undertaking TCSP services recognize their AML/CFT obligations, shortcomings on certain obligations persist. They conduct checks on the identity of the beneficial owner and demonstrated a good knowledge of how they should identify them, as they frequently provide beneficial ownership registration services, but lack sufficient knowledge on other AML/CFT obligations. These include risk identification and assessment, and adequate application of EDD measures to PEPs.

382. Notaries are, to a large extent, aware of their AML/CFT obligations. They conduct CDD checks at onboarding stage, identify the relevant beneficial owners and apply EDD measures in certain situations (e.g., foreign clients, cash transactions, or transactions outside Europe). Additionally, notaries have access to a dedicated compliance screening system provided through the NTB, which allows them to screen against a comprehensive set of information including global PEP and sanctions lists and adverse media. The compliance system carries out approximately 650,000 transaction screenings annually.

383. Casinos have a good understanding of their AML/CFT obligations and have adequate procedures in place to ensure compliance. They apply CDD measures to all visitors of casinos, monitor transactions, are able to identify trends, and submit STRs/SARs.

384. The DNFBP sector's often insufficient ML/TF risk understanding also negatively impacts sectoral STR/SAR reporting during the assessment period. There has been a positive increase over the past year in the number of STRs/SARs submitted by casinos and notaries, which is in line with an improving understanding of ML/TF risks within these sectors. Austria did not demonstrate that the number of STRs aligns with the identified sectoral ML/TF risks and there is also no data available on whether STRs match cross-sectorial main risks such as use of cash and PEPs.

Table 32. Austria: STRs/SARs Submitted by DNFBPs (2019–2024)

Sector and number of OEs	2019	2020	2021	2022	2023	2024
Real Estate Agents (6,304)	0	0	1	1	1	3
TCSPs (other than tax advisors) (36,621)	-	-	-	-	-	1
DPMS (23,961)	0	0	2	0	5	11
Notaries (540 notaries, 671 notarial candidates)	8	3	9	13	13	33
Lawyers (7,138)	0	2	6	13	8	19
Chartered public accountants (3,064) and tax advisors undertaking TCSP services (9,061)	3	4	8	7	7	10
Private accountancy professionals (§ 1 BiBuG 2014) (4,279)	0	0	0	2	2	5
Casinos (Gambling Services and Lotteries, Bookmaker/Betting) (12 land-based casinos, 1 online casino)	0	6	4	15	18	19

Supervisors Risk-Based Monitoring or Supervising Compliance by DNFBPs

385. Most DNFBP supervisors have only very recently started to develop a risk-based supervisory approach based on relevant risk factors for each supervised sector. Casino supervisors present a more established approach, followed by notaries, lawyers and accountants. For the real estate, TCSP (other than tax advisors) and DPMS sectors, off- and onsite supervisory actions

have considered AML/CFT issues since at least 2020, but these did not reflect a consolidated approach among the different regional supervisory authorities and were not based on adequate entity-level risk assessments.

386. To implement a risk-based supervisory approach, the real estate, TCSPs (other than tax advisors), and DPMS sectors have been receiving technical support on risk-based supervision from the Council of Europe⁵⁴ since 2023. The project has developed a risk-based supervision manual, an entity-level risk assessment questionnaire to provide guidance on the conduct of inspections of real estate agents, TCSPs (other than tax advisors), and DPMS in Austria and organized several training and outreach sessions.

387. For real estate agents, TCSPs (other than tax advisors), and DPMS, a consistent and adequate supervisory strategy is still emerging among the 94 local district authorities⁵⁵ overseeing these sectors. Common guidelines and manuals for supervisory actions have recently been completed. Collection (at the national level) of relevant information on risks and controls is needed to promote a consistent approach between sectors, but also within each supervised sector and district. Information provided in these documents on the supervisory approach to the different DNFBP sectors is, however, very high-level and does not demonstrate that supervisory actions and allocation of resources are commensurate with the size, complexity, and impact of the entity or activity supervised.

388. Due to a lack of specific data on the different sectors and of the different supervised districts, supervisors, which represent a very fragmented framework, are missing contextual insights to justify which supervisory actions should be taken and by which supervisor. Real estate agents are considered the highest risk sector by supervisors, as they were identified as such by the FIU. The supervisory strategy defined at the BMWET ministerial level merely highlights the need to prioritize higher-risk entities for supervisory action and sets out that the different districts are responsible for allocating resources to onsite and offsite supervision. At the district level, information on supervisory planning indicates that supervisors should focus on staff training, CDD, and DNFBPs' registration with the goAML platform. The indicative duration of onsite and offsite checks proposed by the BMWET supervisory strategy for 2024 for district trade authorities for onsite and offsite checks is indicated as up to 16 and 4 hours, respectively, however, at least one regional authority's supervisory plan indicative duration for an onsite audit is up to 4 hours. While this may be sufficient for conducting surface-level compliance checks on lower risk entities, it is not adequate to guarantee in-depth analysis and adequately cover risk identification and prevention, such as

⁵⁴ Under the Technical Support Instrument (TSI) project "Regional and local authorities—enhancing quality of public administration and cooperation, preventing of money laundering and terrorism financing in Austria." The project started on September 1, 2023 and is projected to last for 24 months. ([Technical Support Instrument \(TSI\) Programme - Austria - Economic Crime and Cooperation Division](#))

⁵⁵ In the states of Vorarlberg, Styria, and Upper Austria these have been concentrated into one authority.

assessing the adequacy of internal controls, reviewing complex documentation or follow complex audit trails connected to higher-risk clients or transactions.

389. Supervisors of casinos demonstrated the most developed approach to risk-based supervision. They collect monthly statistics on the casinos' activities and risk and carry out frequent onsite inspections throughout the year, which include, but are not solely dedicated to, AML/CFT issues. Supervisors of notaries and lawyers do not collect specific information on ML/TF risks or conduct offsite actions; however, they regularly perform general audits (onsite), which include, but are not solely dedicated to, AML/CFT issues.

390. Supervisors of notaries, lawyers, tax advisors undertaking TCSP activities, and accountants demonstrated a good level of coordination at the national level with regard to supervisory strategies. They apply a similar methodology among different districts and exchange information between the different district authorities within each DNFBP sector. This coordination is recent, though, and information collected at a national level on intrinsic risk and the quality of controls of OEs needs to be improved, to correctly identify which districts or entities represent a higher risk and to allocate adequate supervisory resources.

391. Most DNFBP supervisors do not have mechanisms in place to ensure that all higher-risk entities are effectively identified and are subject to regular supervision. An individual risk rating is lacking for most DNFBPs (notaries, lawyers, tax advisors undertaking TCSP services) and where it exists—for real estate agents, other TCSPs, DPMS, and accountants—the methodology used is not clear and does not provide adequate, actionable results for the supervisors (e.g., higher-risk entities are not identified). Most supervisory authorities rely on self-reported information to inform their supervisory approach. Except for casino supervisors, which collect adequate and detailed information, and supervisors of notaries and lawyers, which consider additional information when performing onsite supervision, monitoring, and supervision of most DNFBP sectors is over-reliant on self-assessment questionnaires distributed to the OEs. As for real estate agents, TCSPs (other than tax advisors), and DPMS, only a part of the OEs is targeted by such questionnaires.

392. For real estate agents, TCSPs (other than tax advisors), and DPMS, the authorities provided limited case studies of very recent onsite supervisory actions, which did not demonstrate effective risk-based supervision. Except for one case presented from 2023, all other cases stem from 2024 and include different subsectors such as real estate agents. The cases do not contain information justifying selection of entities and related supervisory actions, e.g., entity risk profiles and risk assessments of the different sectors are lacking. Shortcomings identified are described at a very high-level (e.g., a lack of risk assessments, or insufficient CDD, including PEP identification), lacking a description of the findings' gravity or seriousness. Only three findings were noted (failure to check for PEP status, origin of funds and identity verification) and outcomes of the supervisory actions were limited to the conclusion that the entity improved its risk-based approach. This indicates that the supervisory strategy and methodology need substantial improvements.

393. Supervisors are focusing on the existence of basic compliance procedures, without a specific assessment of ML/TF risks connected to high-risk clients or transactions. The

authorities did not present any supervisory actions (onsite or offsite) related to complex ML/TF cases, e.g., related to complex legal structures or fraudulent companies. For real estate agents, TCSPs (other than tax advisors), and DPMS, authorities were not able to demonstrate that higher-risk entities are adequately identified and monitored regularly in line with their risk profile. The lack of complex supervisory actions connected to higher-risk entities also highlights the need for supervisory coverage of all relevant sectors.

394. With the exception of the casino sector, DNFBP supervisors do not conduct thematic or targeted supervisory actions. When AML/CFT audits (e.g., of notaries) or offsite and onsite supervisory actions are conducted (e.g., for public chartered accountants), these focus on simple compliance issues such as customer identification and identification of PEPs. They do not take into consideration specific risks related to the sector or to the specific OE subject to the supervisory action.

395. DNFBP supervisors, except for casinos, are not able to detect systemic and serious infringements, nor to collect granular data on the nature and gravity of findings. Supervisors, although without the adequate granularity, are, however, able to detect and provide information on the most common compliance breaches.

Table 33. Austria: Number of Offsite Examinations Conducted (2019–2024)						
Sector	2019	2020	2021	2022	2023	2024
Real Estate Agents	2,423	69	2,756	291	2,681	1,019
TCSPs (other than tax advisors) ^{1/}	2,744	498	7,563	1,320	5,636	4,396
DPMS (including DHVG) ^{2/}	2,614	435	7,518	418	5,369	4,932
Notaries	0	0	0	0	0	0
Lawyers	-	0	0	0	0	0
Chartered public accountants and tax advisors undertaking TCSP services ^{3/}	-	-	-	-	157	167
Private accountancy professionals	-	0	7	0	78	0
Casinos	600	542	436	647	601	600
Total	8,381	1,544	18,280	2,676	14,522	11,114
^{1/} These numbers include business consultants not providing TCSPs services, as the authorities do not differentiate between the different kinds of consultants.						
^{2/} DHVG fall outside of the scope of FATF standard, however the authorities do not disaggregate data between DPMS and DHVG.						
^{3/} These numbers include tax advisors not providing TCSPs services, as the authorities do not differentiate between the different kinds of tax advisors.						

Table 34. Austria: Number of Onsite Examinations Conducted (2019–2024)						
Sector	2019	2020	2021	2022	2023	2024
Real Estate Agents	100	42	0	105	285	526
TCSPs (other than tax advisors)	85	14	119	90	303	425
DPMS (including DHVG)	270	80	119	177	348	662
Notaries	86	60	85	173	86	78
Lawyers	-	963	1,216	4,658	1,630	-
Chartered public accountants and tax advisors undertaking TCSP services ^{1/}	-	-	-	-	40	56
Private accountancy professionals	-	0	0	0	0	0
Casinos	-	89	56	168	286	249
Total	541	1,248	1,595	5,371	2,978	1,996
^{1/} These numbers include tax advisors not providing TCSPs services, as the authorities do not differentiate between the different kinds of tax advisors.						
Note: Data in Tables 33 and 34 as provided by the supervisory authorities. Data does not contain information on the duration and scope of all off- and onsite engagements.						

396. Supervisory examinations of the DNFBP sector are not commensurate with the size, complexity, and impact of the entity or activity supervised. Relative to the size of the total DNFBP sector of 90,981 entities in 2024, supervisory authorities conducted 9,328 offsite examinations (corresponding to approximately 10 percent of the DNFBP sector) and 1,647 onsite examinations (corresponding to approximately 1.8 percent of the DNFBP sector) in 2024. The number of offsite and onsite examinations has fluctuated over the years, with a decline in 2024 compared to 2023. Regarding the higher-risk sectors, only eight percent of real estate agents and one percent of TCSPs (other than tax advisors) and three percent of DPMS have been subjected to an onsite examination in 2024.

397. Supervisory resources available vary considerably between authorities and across most sectors the majority of the resources are not exclusively dedicated to AML/CFT. With regards to real estate agents, all types of TCSPs, DPMS, and accountancy professionals, the number of human resources within the supervisory authorities is low compared to the number of OEs.

Table 35. Austria: Supervisory Human Resources for AML/CFT Supervision of DNFBPs		
Type of DNFBP	Number of OEs	Supervisory Human Resources
Real estate agents	6,304	17.5
TCSPs (other than tax advisors)	36,621	
DPMS	23 961	

Table 35. Austria: Supervisory Human Resources for AML/CFT Supervision of DNFBPs (Concluded)

TCSPs (tax advisors undertaking TCSP services)	9,061	1.5 plus additional 19 ad hoc available to conduct onsite inspections (together with chartered public accountants)
Lawyers	7,138	145
Notaries	540 notaries, 671 notarial candidates (July 2025)	143 (97 revisors, 46 revision assistants)
Chartered public accountants	3,064	1.5 plus additional 19 ad hoc available to conduct onsite inspections (together with tax advisors undertaking TCSP services)
Private accountancy professionals (§ 1 BiBuG 2014)	4,279	1, supported by 8 AML/CFT committee members. 22 external reviewers available to conduct onsite inspections
Casinos	12 land-based casinos, 1 online casino	3.5

Impact of Monitoring, Supervision, Outreach, Remedial Actions and Effective, Proportionate and Dissuasive Sanctions on DNFBP Compliance

398. The number of remedial actions applied across the DNFBP sector, except for casinos, is very low, and most authorities could not demonstrate a positive impact of supervisory and remedial actions. For casinos, very regular supervisory actions are conducted, and provided examples demonstrated that, upon identification of deficiencies, the OE was notified and subsequently improved the relevant AML/CFT controls. Although supervisors for notaries, lawyers, tax advisors, and accountants have been conducting more systematic supervisory actions and include AML/CFT issues in their employee trainings, the lack of detection of systemic and serious infringements and the consequent inadequate application of remedial actions and proportionate and dissuasive sanctions as a follow-up to supervisory findings, have a negative impact on effective implementation of adequate compliance controls. Similarly, although the number of STRs/SARs submitted by some sectors, in particular notaries, has improved slightly, STRs/SARs across the entire DNFBP sector remain low and the progress achieved is not sufficient to demonstrate a relevant impact of supervisory actions and outreach initiatives.

TRANSPARENCY AND BENEFICIAL OWNERSHIP

The relevant Immediate Outcome considered and assessed in this chapter is IO.5. The Recommendations relevant for the assessment of effectiveness under this chapter are R.24–25 and elements of R.1, 10, 22, 37 and 40.⁵⁶

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Austria demonstrates a high level of understanding of the ML/TF risks posed by LPs and LAs, including those that are foreign-created and presenting ML/TF risks and sufficient links with the country. A very comprehensive risk assessment of LPs and LAs and several targeted studies focusing on the identification of specific abuses of LPs support this.
- b. Austria effectively implements a wide range of measures to prevent misuse of LPs and LAs for ML/TF purposes and enhance transparency. The Beneficial Ownership Register, as the pinnacle of the multipronged approach, plays a very prominent role in this regard. Additional effective mitigation measures include—*inter alia*—those to prevent and detect fraudulent companies, increase transparency for nominees, and prohibit bearer shares.
- c. The low number of registered foreign trusts and similar LAs suggests though that the requirement to file beneficial ownership information is not yet effectively implemented by foreign LAs, albeit the impact on effectiveness is minor considering materiality.
- d. Competent authorities use various sources of the different prongs of the overall system to support their day-to-day operational activities, including investigations into ML, TF, and in complex financial investigations with cross-border dimensions. They prioritize the Beneficial Ownership Register as a crucial source of information, which offers authorities direct and timely access to both basic and beneficial ownership information. Competent authorities integrate basic and beneficial ownership information in analyses and investigations into ML, TF, and in complex financial investigations with cross-border dimension. FIs and DNFBPs have a good understanding of the usefulness of the Beneficial Ownership Register, but some DNFBPs over-rely on the Beneficial Ownership Register (as a possible shortcut for CDD).
- e. Austria implements sanctions on both legal entities and related natural persons that are dissuasive and proportionate with the severity and the continuity of breaches to maintain and report beneficial ownership information and in situations where the ownership and control structure is intentionally concealed. Natural persons are also sanctioned where the

⁵⁶ The availability of accurate and up-to-date basic and beneficial ownership information is also assessed by the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. In some cases, the findings may differ due to differences in the FATF and Global Forum's respective methodologies, objectives and scope of the standards.

LPs they represent are misused for criminal purposes (fraudulent companies). Regional courts also imposed proportionate and dissuasive sanctions for serious compliance failures in updating basic information in the Company Register.

Other Recommended Actions

- a. Ensure effective implementation of the recently extended measures for nominees which brought Austrian requirements fully in line with the FATF Standards (R.24, c.24.13) and further strengthen competent authorities' and OEs' awareness about the importance of filing discrepancy reports to the Beneficial Ownership Registry Authority to maintain the completeness and accuracy of the Beneficial Ownership Register.
- b. DNFBP supervisors (except the one for tax advisors undertaking TCSP services) should monitor and ensure compliance with Art.11 of the WiEReG, which is explicit that OEs cannot rely solely on the Beneficial Ownership Register for the application of CDD

Overall Conclusions on IO.5

399. Austria has a high level of understanding of the ML/TF/PF risks posed by legal entities, including foreign-created LPs and LAs that present ML/TF/PF risks and have sufficient links with the country. This risk understanding is supported by a comprehensive and sound ML/TF/PF risk assessment and several targeted initiatives that focused on the identification of specific abuses of legal persons.

400. Austria effectively implements a wide range of measures to prevent misuse of LPs and LAs, including a strong multi-pronged approach which ensures timely access to adequate, accurate and up-to-date basic and beneficial ownership information for competent authorities and OEs. The Beneficial Ownership Register plays a very prominent role in this regard. As part of the multi-pronged approach, competent authorities have also easy and timely access to beneficial ownership information maintained by OEs and legal entities themselves even though the directly accessible registers with basic and beneficial ownership information generally constitute their preferred sources.

401. The low number of registered foreign trusts and similar LAs suggests that the requirement to file beneficial ownership information is not yet effectively implemented, albeit the impact on effectiveness is minor considering materiality.

402. Austria effectively implements various measures to ensure that the information recorded in the Beneficial Ownership Register remains adequate, accurate, and up to date, including proactive and sophisticated risk-based monitoring by the Registry Authority. OEs play an important role in prompting their customers that are legal entities to proceed with self-corrections in case they observe discrepancies with the data included in the Beneficial Ownership Register. This approach partly explains why discrepancy reporting remains limited because in those instances, it is no longer needed.

403. Austria implements sanctions on both legal entities and related natural persons that are dissuasive and proportionate with the severity and the continuity of breaches to maintain and report beneficial ownership information and in situations where the ownership and control structure is intentionally concealed. Its system of initial warnings combined with automated sanctions imposed, coupled with the credible threat of referral to the fiscal authority, have clearly had a dissuasive effect, prompting legal entities to comply proactively. Sanctions imposed for failures to update basic information in the Company Register are equally effective.

404. Austria significantly strengthened its existing requirements on nominees, but relevant information for all types of nominee arrangements is not yet centrally registered.

405. Austria is rated as having a High level of effectiveness for IO.5.

B. Immediate Outcome 5

406. Austria meets most of the requirements of both R.24 and R.25, which are rated Largely Compliant. While Austria significantly strengthened its existing requirements on nominees, relevant information for all types of nominee arrangements is not yet included in the central Beneficial Ownership Register.⁵⁷

407. Nominee shareholding arrangements are permitted and mainly materialize in Austria in the form of treuhand arrangements.⁵⁸ Apart from nominee arrangements, treuhand agreements are mostly used as escrow agreements for the settling of real estate transactions or the transfer of shares (*Abwicklungstreuhand*). There are no treuhand arrangements in Austria that qualify as legal arrangements similar to an express trust (R.25).

408. Express trusts and LAs cannot be set up under Austrian law. Foreign ones can be managed and have business relationships within Austria (R.25).

409. Limited liability companies (LLCs—*Gesellschaft mit beschränkter Haftung*—GmbH) and private foundations are considered as most important and highly important, respectively, because of their higher inherent and residual ML/TF risks compared to other types of legal persons. The materiality of European companies, European economic interest groupings and European cooperative societies is negligible, and they are therefore considered as less important. Other types of LPs are identified as being moderately important considering their inherent ML risks (Introduction).

⁵⁷ As of October 1, 2025, relevant information for all types of nominee arrangements is included in the Beneficial Ownership Register. At the time of the onsite visit, only information regarding treuhand arrangements (i.e., a type of nominee arrangements) was included.

⁵⁸ To separate legal and beneficial ownership of shares with the treuhänder having legal ownership of the shares, exercising the associated voting rights following instructions of the treugeber, and passing on dividends to the treugeber.

Identifying, Assessing and Understanding ML/TF Risks of Legal Persons and Arrangements

410. Austria demonstrates a high level of understanding of the ML/TF risks associated with LPs and LAs, either created domestically or foreign created with sufficient links to the country. This risk understanding is supported by a very comprehensive ML/TF risk assessment of LPs and LAs and several targeted ad hoc studies. The methodology, processes, procedures, and conclusions of the risk assessment are rigorous, thereby underpinning a strong and robust understanding of ML/TF risks of LPs and LAs, as set out in more detail below. The risk identification and understanding are fully in line with Austria's overall risk and context situation, considering the importance of the materiality of the sector in Austria (Introduction).

411. Austria conducted a comprehensive assessment of the ML/TF risks of domestic LPs in its 2021 NRA, which was further refined through the 2025 NRA and extended to foreign LPs and LAs with sufficient links to Austria and PF. The assessment involved a wide range of sources and competent authorities, including but not limited to LEAs, A-FIU, and the tax authority, which all provided crucial input on the observed misuse of both domestic LPs and foreign LPs and LAs. For the assessment of foreign LPs and LAs, the following factors were used to establish a sufficient link: holder of a bank or custody account in Austria, ownership of aircrafts, ownership of ships, indirect ownership of domestic LPs, a branch office in Austria, trusts, and similar LAs managed from Austria, and ownership of domestic property. The risk assessment identified 80,359 foreign legal entities which have a sufficient link with Austria.⁵⁹

Domestic Legal Persons

412. Regarding domestic LPs, the NRA comprehensively considers various ML/TF/PF threat scenarios as well as vulnerabilities that are specific to each type of LP. The ML/TF/PF threat level for each type of LP was assessed considering available statistical data, credible open-source information, the practical experience of public and private sector experts, and specific threat scenarios relevant for individual categories of LPs. The vulnerabilities of the various types of LPs were analyzed by considering the following factors: the materiality, the type of business risk, the geographical and cross-border risk exposure, the risk of concealment through nominee agreements and bearer shares, the simplicity, speed and costs of founding/registering, the complexity of the ownership and control structure, and the risk awareness of relevant entities.

413. The assessment rates LPs' overall level of inherent ML risks as medium. LLCs and private foundations are identified as being most at risk for ML. From a materiality perspective, LLCs are predominant and stand out as the preferred type of LP. This is because shares of LLCs can be transferred relatively easily and quickly. In ML schemes, LLCs are often misused to disguise the

⁵⁹ 78.7 percent hold a bank or custody account, 11.6 percent appear in the chain of control of domestic LPs, 6.3 percent own land and/or real estate, 2.7 percent have a branch office in Austria and 0.7 percent own aircrafts registered in Austria.

origin of illicit funds, especially in the construction and trade sectors, thereby becoming fraudulent companies with straw men as their directors and shareholders.⁶⁰ Private foundations are frequently used for investments in real estate, thereby increasing their inherent ML risks, including because of measures restricting the ownership of property by foreign investors (see below).

414. The authorities have also undertaken several targeted initiatives to identify meaningful typologies on the involvement of domestic LPs in ML schemes. Examples are A-FIU's strategic analysis report of fraudulent companies (*scheinunternehmen*) and the comprehensive analysis of nominee arrangements, including treuhand arrangements, conducted jointly by the Beneficial Ownership Registry Authority and the Predictive Analytics Competence Centre (PACC).

415. In terms of TF, the risk understanding is equally comprehensive, and the overall level of inherent TF risks of domestic LPs is also rated as medium. In contrast to the assessment of ML risks, none of the types of domestic LPs presents a high inherent TF risk. This finding is in line with the findings under IO.9 and TF typologies. While the 2021 NRA concluded that TF risks primarily arose from the misuse of associations (i.e., as potential vehicles for cross-border transfers of funds for TF purposes), the comprehensive 2024 and 2025 NPO risk assessments came to more nuanced findings (IO.10).

416. The findings on misuse of domestic LPs for PF-related sanctions evasion largely mirror the ones on ML and are reasonable in light of Austria's large dual-use goods manufacturing industry, which is vulnerable for PF-related sanctions evasion. One of the most frequently observed PF typologies consists of the misuse of LPs by setting up a screen for sanctions evasion through the concealment of beneficial owners. Authorities are alert to this risk, and intelligence and findings from investigations by DSN and other LEAs reveal that LPs identified as being misused for PF-related sanctions evasion are predominantly foreign entities with complex ownership structures which operate as an intermediary between the Austrian supplier of dual use goods and the end user abroad (IO.11).

Foreign Legal Persons and Arrangements

417. As per foreign legal entities, the ML/TF/PF risk analysis is sound and comprehensive. The risk understanding adequately reflects on the results of an in-depth assessment of Austria's attractiveness for foreign legal entities combined with a high level of detail on their materiality. Other factors underpinning the risk understanding are the type of business activities, the geographical risk exposure, and transparency measures in the country of origin. Foreign legal entities owning aircrafts were identified as presenting a high inherent ML and PF risk, but their materiality in the Austrian context is negligible, and the authorities have already taken steps in view

⁶⁰ In such instances, LLCs are being used as shelf or shell companies or are otherwise fraudulent or problematic.

of addressing the risk.⁶¹ The individual inherent ML and PF risk exposures of those legal entities holding a bank or custody account, having indirect ownership in domestic LPs, or owning land and/or real estate in Austria is assessed as medium to high. The overall TF risk exposure of foreign legal entities was assessed as low to medium.

418. The NRA and ad hoc studies significantly contributed to competent authorities' and private sector entities' development of a comprehensive ML/TF/PF risk understanding of LPs and LAs. The Beneficial Ownership Registry Authority has organized regular meetings and training events to assist competent authorities and OEs in building and further strengthening their understanding of the ML/TF/PF risks associated with (foreign) LPs and LAs, and to assist them in fulfilling their role in ensuring that the data in the Beneficial Ownership Register remain adequate, accurate, and up to date. Particular attention was given to those professionals who file beneficial ownership information on behalf of their clients (see below).

Mitigating Measures Preventing Misuse of Legal Persons and Arrangements

419. Austria has put in place a wide range of measures to enhance the transparency of domestic LPs and foreign LPs and LAs to prevent their misuse for ML/TF purposes. Austria uses a multi-pronged approach to ensure that competent authorities have access to adequate, accurate, and up-to-date basic and beneficial ownership information. The Beneficial Ownership Register plays a very prominent role in this regard, but competent authorities can also obtain basic and beneficial ownership information from OEs and directly from LPs and relevant foreign LAs. This approach is complemented by various other effective mitigation measures, including measures in response to specific identified risks, which are described below.

Mitigation Measures Applying to All Legal Entities, Regardless of Their Level of Risk

420. The first line of defense to prevent the exploitation of LPs for criminal purposes is the obligation to be registered upon creation in the Company Register, the Associations Register, or the Register of Foundations and Funds. A unique identifier is assigned to each registration. Companies, associations, and (charitable) foundations that do not comply with these requirements cannot acquire legal personality. Basic information (albeit with some very minor technical deficiencies regarding the register of shareholders—c.24.5) is publicly available.

421. In 2017, Austria established a central Beneficial Ownership Register, which is in place since June 1, 2018 and plays a very prominent role to prevent abuse of legal entities. It constitutes a crucial and directly accessible source of information to support competent authorities' operational activities. The Beneficial Ownership Register includes both basic and beneficial ownership information on all types of LPs created in Austria and is supplemented with basic and

⁶¹ There are 541 foreign LPs with ownership of aircrafts in Austria out of a total of 80,359 foreign legal entities with sufficient links with the country. The authorities clarified that a large proportion of the aircrafts are airliners, which are less vulnerable to abuse for ML/TF/PF purposes.

beneficial ownership information on relevant foreign LPs and LAs.⁶² These legal entities have an obligation to obtain, maintain, and keep up-to-date information on their beneficial ownership and provide it to the Beneficial Ownership Registry Authority for inclusion in the Beneficial Ownership Register (R.24).

422. The Beneficial Ownership Registry Authority within the BMF ensures that information in the Beneficial Ownership Register is adequate, accurate, and up to date. This is achieved by thorough verification of all beneficial ownership reports filed by legal entities at the time of their creation and subsequently, on a risk-sensitive basis, throughout the lifetime of the entity. This in-depth verification is complemented with the analysis of discrepancy reports filed by OEs and competent authorities, and by addressing identified breaches of the beneficial ownership reporting obligation.

423. The Beneficial Ownership Registry Authority is also responsible for conducting administrative proceedings and responding to requests from domestic and foreign competent authorities. When the Authority identifies suspicions that a legal entity is being misused as a fraudulent company, then it systematically refers the case to the Anti-Fraud Office in the tax administration, as demonstrated by the example in Box 5. In addition, when the Authority identifies indications of ML or TF, it files a report with A-FIU. The effectiveness of this mechanism which contributes to Austria's financial intelligence chain was demonstrated through case studies showing how reports from the Beneficial Ownership Registry Authority were the starting point for the development of comprehensive financial intelligence packages, which subsequently triggered or contributed to (complex) financial investigations.

424. At the end of 2024, Austria further significantly strengthened its existing requirements on nominees to bring them fully in line with the FATF Standards (c.24.13).⁶³ Implementation of the new additional requirements was at a nascent stage at the time of the on-site visit. Nominee shareholding arrangements are called “treuhand” in Austria, but these are legal person nominee arrangements, not to be confused with treuhand arrangements that are legal arrangements in other countries. Since 2018, LPs are required to disclose these nominee arrangements as part of their beneficial ownership reporting obligation and details on the nominator (treugeber) and nominee (treuhänder) are included in the Beneficial Ownership Register.⁶⁴ As a result, the number of such nominee arrangements declined from 2,093 in 2021 to 1,992 in 2024. Feedback from lawyers and tax advisors (i.e., professionals acting as nominees) revealed that nominee arrangements were

⁶² Foreign LPs with a registered office outside and which acquire/own land or real estate in Austria, and foreign express trusts and similar LA managed from within Austria or acquire/own land or real estate in Austria.

⁶³ As of October 1, 2025, all nominee arrangements (including those that do not affect beneficial ownership) should be disclosed to the Registry Authority for inclusion in the Beneficial Ownership Register.

⁶⁴ In 2020, Austria introduced an obligation for LPs to disclose nominee arrangements that are relevant for the identification and verification of beneficial owners. Since that time, the definition of control in the WiEReG explicitly referred to nominee agreements as a form of control.

increasingly dissolved and nominators were again reinstated as legal owners, as these nominee arrangements lost their purpose following the introduction of the transparency requirements.

425. Austria has also implemented effective measures by prohibiting bearer shares for non-listed companies. It set up a central securities depository where share certificates of listed stock companies are kept in custody. In addition, beneficial ownership disclosure requirements equally apply to listed stock corporations and information on these companies' beneficial ownership is directly accessible by competent authorities.

426. OEs constitute another source of beneficial ownership information, and they make, upon request, this information available to competent authorities in a timely manner. CIs also include beneficial ownership information in Austria's Central Register of Accounts and Safe Deposit Boxes, which is in place since 2016. Identification details included in the latter register are nevertheless limited (i.e., name and first name of the beneficial owner), and competent authorities generally use this register to identify assets held in Austria rather than as a primary source of beneficial ownership information.

427. Tax advisors undertaking TCSP services, lawyers and notaries frequently register, on behalf of their clients', beneficial ownership information with the Beneficial Ownership Registry Authority, with these tax advisors counting for 80 percent of the registrations made by professionals on behalf of legal entities (Table 4). Tax advisors undertaking TCSP services, lawyers and notaries conduct adequate checks on the identity of the beneficial owner. They demonstrated a good understanding of the beneficial ownership requirements, including of the concept of control, which can be explained by ongoing targeted training received from the Beneficial Ownership Registry Authority and their frequent engagement with that authority, including but not limited to a dedicated hotline. Implementation of beneficial ownership requirements by other types of OEs, mainly DNFBPs, (i.e., real estate agents, TCSPs (other than tax advisors undertaking TCSP services), and DPMS) remains uneven (IO.3, IO.4).

Mitigation Measures Implemented in Response to Specific Identified Risks

428. Austria effectively implements measures to mitigate identified risks associated with fraudulent companies, which are mainly LLCs (5.1 above). The Beneficial Ownership Registry Authority in cooperation with the PACC, the Anti-Fraud Office within the tax administration and the A-FIU developed a model-based system that allows for early detection of fraudulent companies (*Scheinunternehmen*) based on the data from the Beneficial Ownership Register.

429. The Beneficial Ownership Registry Authority systematically refers identified suspicions of fraudulent companies to the Anti-Fraud Office within the tax administration for in-depth investigation and follow-up. This investigation process is guided by two written documents setting out the measures to be taken for each step of the investigation process. If the investigation confirms the suspicions, the fraudulent company is published on a dedicated list on the BMF's public website. In addition, the company is listed as *Scheinunternehmen* in the Company Register and the Beneficial Ownership Register until it is dissolved and removed from the Company Register, and the

tax authorities will restrict the fraudulent company's VAT number. These measures effectively prevent the company from continued participation in economic activities and from being used as a vehicle for fraud and ML. In addition, the natural persons behind these fraudulent companies are prosecuted as the perpetrators of social security and fiscal fraud.

430. Competent authorities work closely together to identify fraudulent companies. For instance, the Tax Authority and the A-FIU developed a common initiative to detect fraudulent companies involved in tax and social security fraud schemes. This resulted in 11 tax-recovering orders for a total of EUR 5 million for suspected tax fraud and frozen bank accounts for a value of about EUR 2 million. In addition, a mechanism was developed to assist FIs in the identification of such companies as part of their transaction monitoring. For the implementation of this mechanism, the Tax Authority and the A-FIU cooperated closely with OEs to produce financial intelligence identifying tax and social security fraud schemes. In addition to Austrian fraudulent companies, this initiative also led to the identification of 266 foreign fictitious companies from 14 different countries.

431. More generally, Austria's actions to tackle the risk associated to fraudulent companies has proven to be successful as illustrated by the official list of identified fraudulent companies on the BMF's public website. As of mid-June 2025, a total number of 1,050 legal entities were included in this list. Suspected cases of fraudulent companies are also included in the social fraud database. Austria has various effective measures in place to mitigate the ML/TF/PF risks associated to investments in real estate by foreign legal entities.

432. A requirement for foreign legal entities owning real estate in Austria to report their beneficial owners for inclusion in the Beneficial Ownership Register is already in place for many years. In addition, restrictions on property transfers to foreign legal entities domiciled outside the EEA limit their opportunities for real estate investments. In those instances where a foreign legal entity is still permitted to acquire domestic property, the intervention of a notary is mandatory, just like for any other transfer of real estate. Before the notarization or preparation of a notarial deed, the notary is required to collect credible documents on beneficial owners for inclusion in the deed. They should also request proof of reporting of beneficial owners to the Beneficial Ownership Registry Authority, and compare the information obtained from the customer with the information in the Beneficial Ownership Register. Other measures leading to mitigating ML/TF risks in the property sector consist of EDD implemented by CIs in case of real estate investments by foreign customers, including legal entities, in Austria. Implementation of such measures has substantially increased in response to other autonomous EU sanctions.

433. Austria's CIs have also significantly strengthened their CDD requirements and apply EDD measures to both domestic and foreign legal entities with complex ownership and control structures (see above and IO.3). Austria has not yet implemented measures to mitigate the recently identified ML/TF risks of foreign legal entities owning aircrafts but drafting of amendments to the WiEReG was underway at the time of the onsite visit. The impact on effectiveness is very minor given the negligible materiality of this sub-set of legal entities (R.24).

Legal Persons: Timely Access to Adequate, Accurate, and Current Basic and Beneficial Ownership Information

434. Austria uses a multi-pronged approach to effectively ensure that competent authorities have timely access to adequate, accurate and up-to-date basic and beneficial ownership information of domestic LPs and relevant foreign legal entities. The primary sources of basic and beneficial ownership information are the Beneficial Ownership Register, the Company Register, the Register of Foundations and Funds, and the Associations Register. In addition to the registers, competent authorities have the necessary powers to obtain basic and beneficial ownership information from OEs and directly from legal entities themselves and use these powers to some extent.

435. Austria's registers with basic information and the Beneficial Ownership Register are interconnected and information, including changes, is automatically transferred from one register to the other, thereby ensuring accurate and up-to-date information in all registers. Data from Austria's Central Register of Residents (ZMR) are automatically integrated in these registers, which is an important tool to ensure that details on beneficial owners who are residents in Austria remain up to date. Without exception, the A-FIU, LEAs, prosecutors, and other competent authorities indicated that the registers with basic and beneficial ownership information are a crucial source of information, which they use to inform their operational activities.

436. Criminal investigators systematically use the Beneficial Ownership Register in support of their investigations, particularly in relation to typical core economic and financial offenses (e.g., breach of trust, fraudulent bankruptcy, grossly negligent impairment of creditors' interests, etc.) as well as social security fraud. In addition, in organized crime investigations, systematic consultations of the Beneficial Ownership Register take place, as this information is crucial in determining organizational structures and for clarifying individuals' roles in criminal activities. During the analytical process, the A-FIU systematically cross-checks information contained in STRs/SARs against the data in the Beneficial Ownership Register. This is done using the Austrian Companies Database "*Wirtschaftskompas*," rather than stand-alone searches in the Beneficial Ownership Register through the A-FIU's direct access (IO.6).

Timely Access to Adequate, Accurate, and Up-To-Date Basic and Beneficial Ownership Information via the Beneficial Ownership Register

437. The multi-pronged approach is in place to ensure effective access to basic and beneficial ownership information, and competent authorities prefer to use the Beneficial Ownership Register, which they describe as a highly effective and reliable tool. The Register is directly accessible to them, including through a dedicated web-application with additional analytical

capabilities for some of them,⁶⁵ which is integrated into their own portals. It contains adequate, accurate, and up-to-date basic and beneficial ownership information of 98 percent of all domestic LPs and relevant foreign legal entities.⁶⁶ Information extends to details on the entire ownership and control structure of LPs and relevant LAs, including details of foreign persons and entities that exercise control over the legal entity. Direct access for OEs is also ensured through a dedicated web-application. As mentioned in IO.1, there is very effective regular operational coordination in place between the Beneficial Owner Registry Authority and competent authorities. This allows for the identification of operational challenges in the identification of beneficial ownership information and functionalities of the Beneficial Owner Register to ensure that competent authorities have easy and swift access to this register.

438. In general, competent authorities reported that they consult the Beneficial Ownership Register as a starting point to corroborate information. Table 36 shows the number of formal excerpts retrieved from the Beneficial Ownership Register by Austrian competent authorities in support of their day-to-day work. These do not include consultations of the Beneficial Ownership Register without retrieving a formal excerpt. In addition to the 13,561 excerpts delivered to competent authorities in 2024, these authorities also consulted beneficial ownership data in another 15,677 cases without requesting an excerpt. These numbers do not include the A-FIU's automatic cross-checks against the Register using the Austrian Companies Database "*Wirtschaftskompas*" (see above).

Table 36. Austria: Competent Authorities' Access to Beneficial Ownership Data Supported by Excerpts of Information

Year	2020	2021	2022	2023
Excerpts retrieved by authorities	9,244	14,138	11,257	12,199

Box 4. Demonstrating Competent Authorities' Access to and Use of Information from the Beneficial Ownership Register in Complex Financial Investigations with Cross-Border Dimension

When conducting monitoring of implementation and potential circumvention of other EU financial sanctions (IO.11), DSN systematically checks the Beneficial Ownership Register and Central Account Register, in addition to other sources of information. Through consultation of the Beneficial Ownership Register and the Land Register, it was determined that a sanctioned individual indirectly held economic resources (i.e., real estate

⁶⁵ The Beneficial Ownership Registry Authority, A-FIU, DSN, provincial police directorates responsible for state security, federal tax administration authorities, the Federal Tax Court, the criminal police, health insurance institutions, public prosecutor's offices, and the courts.

⁶⁶ All competent authorities and OEs have access to the following information: the name of the legal entity and address details, the identification number and identification register of the legal entity, the legal form and information about the period of time for which the legal entity has been in existence, the NACE code for the legal entity's main activities, the identification details of both direct and indirect beneficial owners (i.e., control) and the nature and scope of their beneficial interest. As of October 1, 2025, information on all nominee arrangements.

Box 4. Demonstrating Competent Authorities' Access to and Use of Information from the Beneficial Ownership Register in Complex Financial Investigations with Cross-Border Dimension (Concluded)

and beneficial ownership of a legal person) in Austria. The results of these consultations revealed that the legal owner of the Austrian company was a company located in Cyprus, where the sanctioned individual acted as the managing director. The chain of ownership as reflected in the Beneficial Ownership Register also identified several Russian companies, with the sanctioned individual as the beneficial owner. This case was immediately reported to the competent courts, which resulted in the freezing of the relevant assets and the Public Prosecutor's Office opened a judicial investigation for suspicion of EU sanctions violation and evasion. While this example is outside the scope of the assessment of IO.11, it nevertheless illustrates that competent authorities have timely access to adequate, accurate and up to date beneficial ownership information in support of their operational activities.

439. Competent authorities presented various other case examples, including those presented in IO.6 and IO.7, demonstrating that the A-FIU and LEAs could identify (foreign) legal entities involved in ML, TF, and PF schemes, including by, but not limited to, using beneficial ownership information registered in Austria. Investigative authorities encounter more difficulties in identifying the beneficial ownership of complex legal structures when foreign LPs are involved in financial transactions because of limitations in the scope and quality of beneficial ownership information collected and registered abroad, or the lack thereof.

440. The DSN also presented several case examples demonstrating the use of beneficial ownership information, including from other sources than the Beneficial Ownership Register, in complex financial investigations and how this information allowed to identify new targets and detect additional financial flows.

441. The Beneficial Ownership Register also plays an important role to support international cooperation (i.e., when Austrian authorities respond to international cooperation requests). The Beneficial Ownership Registry Authority can directly request beneficial ownership information from legal entities, including at the request of foreign competent authorities. International co-operation feedback demonstrates that basic and beneficial ownership information is exchanged regularly and in an accurate and timely manner. There are furthermore no impediments to the exchange of basic and beneficial ownership information with foreign counterparts as this information is also publicly available to all foreign competent authorities with a legitimate interest. In addition, foreign competent authorities can also obtain beneficial ownership information upon request from their Austrian counterparts.

Measures to Ensure that Basic and Beneficial Ownership Information Remains Accurate and Up to Date

442. The Beneficial Ownership Registry Authority continuously improves its risk-based supervision to ensure compliance with the transparency requirements and improve data quality (Table 37). The Registry Authority consists of seven staff members of which three persons are full-time dedicated to supervision. As a first step, at the time of the creation of a legal entity, the

beneficial ownership information across the entire ownership and control chain is always subject to in-depth risk-based verification. Subsequently, during the lifetime of the legal entity, the Registry Authority conducts active risk-based supervision and relies on its extensive analytic capabilities to ensure that the data in the Beneficial Ownership Register remain adequate, accurate, and up to date. It also has the power to request documentation on beneficial ownership directly from both domestic and foreign legal entities and their legal and beneficial owners to carry out offsite audits, including interviews (if so required), and demonstrated that it makes active use of this power, i.e., 454 times in 2024 and 457 times in 2023.

443. There is a comprehensive manual in place to inform and guide the Registry Authority’s supervisory process. As a first step, all incoming beneficial ownership reports are reviewed using an automated system. Cases for in-depth inspections are identified on a risk-sensitive basis using multiple sources of information.⁶⁷ Cases for inspection are also identified based on various threat scenarios (e.g., shell companies, including fraudulent companies, and sanctions evasion) and risk indicators (e.g., reported nominee arrangements, private foundations with no reported beneficiaries, beneficial owners with residence in or nationality of high-risk countries, registered office at a letter box address). Particular attention is given to cases under monitoring because of discrepancy reports. The sample for in-depth inspection is completed with cases randomly selected.

444. The following two tables demonstrate the application of the risk-based approach to ensuring adequate, accurate, and up-to-date beneficial ownership information. They show that around 10 percent of all cases with a very high risk are regularly checked by the Beneficial Ownership Registry Authority. It should also be noted that checking one legal entity in a group of entities ensures that the reporting of all legal entities in that group is adequate, as they generally have the same ownership structure and the same beneficial owner.

Table 37. Austria: Overview of the Number of Reports Subject to Risk-Based In-Depth Review by the Beneficial Ownership Registry Authority as Part of its Ongoing Supervision ^{1/}

2023				
Risk level	Reports submitted to the Beneficial Ownership Register	% in relation to total reports	Reports reviewed by Beneficial Ownership Registry Authority	%
Low	145,801	81.02%	337	0.23%
Medium	19,445	10.81%	213	1.10%
High	9,907	5.51%	386	3.90%

⁶⁷ The Register of Companies, the Associations Register, the Register of Foundations and Funds, the Austrian Central Register of Residents, internal databases (such as Orbis), and other statistical data.

Table 37. Austria: Overview of the Number of Reports Subject to Risk-Based In-Depth Review by the Beneficial Ownership Registry Authority as Part of its Ongoing Supervision (Concluded)				
Very high	4,809	2.67%	438	9.11%
Total	179,962		1,374	0.76%
2024				
Risk level	Reports submitted to the Beneficial Ownership Register	% in relation to total reports	Reports reviewed by Beneficial Ownership Registry Authority	%
Low	147,176	81.16%	366	0.25%
Medium	20,272	11.18%	173	0.85%
High	8,964	4.94%	367	4.09%
Very high	4,936	2.72%	502	10.17%
Total	181,348		1,408	0.78%
^{1/} Note that these tables do not contain the checks performed at the time of creation of the legal entity and initial filing of beneficial ownership information.				

445. Table 38 below demonstrates that the risk-based case selection is effective as a higher proportion of risk-based cases lead to follow-up measures compared to those examined as part of random sample testing.⁶⁸ In addition, it is important to clarify that group structures, which consist of a larger number of entities with complex structures, quite often have the same ownership and control structure and are classified as very high- or high-risk. This implies that checking one legal entity that is part of a group of entities is sufficient to ensure that the reporting of all legal entities in that group is correct. As a result, the number of audits of reports filed by very high-risk entities is significantly higher than the 10 percent as shown in Table 37.⁶⁹

⁶⁸ The difference in the number of audits as shown in Tables 37 and the number of audits as shown in Table 38 can be explained as follows: Tables 37 only include reports that were submitted to the Beneficial Ownership Registry Authority in 2023 and 2024, respectively, and automatically received their risk points from the system during this period. Table 39, on the other hand, also shows audits performed in 2024, which relate to reports submitted during the period November 2023 to October 2024. This is because manually carrying out checks takes a certain amount of time, consisting of the check itself and an internal review and approval process.

⁶⁹ For example, if a very high-risk group consists of 50 legal entities and the Beneficial Ownership Registry Authority requests documents from one of these legal entities (which are usually all high-risk due to the same group structure) to check the ownership and control structure, the reporting of all legal entities can be checked, even though statistically only one audit is recorded.

Table 38. Austria: Follow-up Measures Taken Following a Review of Reports

	Reports Analyzed	Remarks		Referrals to Other Authorities		Requests for Documents		Supplements to compliance packages		Plausible Reports		No Follow-up Action Necessary	
Selection Category	No.	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Random	360	17	4.72	0	0.00	28	7.78	0	0.00	317	88.06	314	87.22
Risk-based	720	138	19.17	27	3.75	120	16.67	0	0.00	432	60.00	435	60.42
Ad hoc	118	13	11.02	33	27.97	42	35.59	2	1.69	29	24.58	28	23.73
Compliance Package	300	4	1.33	0	0.00	1	0.00	4	1.33	291	97.00	289	96.33
Total	1,498	172		60		191		6		1,069		1,066	

446. All Beneficial Ownership disclosure reports are also automatically checked against legally applicable financial sanctions lists upon creation of the legal entity and when updates are filed. In addition, the entire Beneficial Ownership Register is scanned against sanctions lists on a weekly basis. To address the differences in compliance between certain categories of legal entities, the Beneficial Ownership Registry Authority monitors the reporting rates for each type of legal entity. The interconnection between the Beneficial Ownership Register, the registers with basic information and ZMR, which contains information on all residents in Austria, also constitutes an important tool to ensure that sources of basic and beneficial ownership information remain up to date. The PACC proactively uses datamining technologies to detect inconsistencies between the various registers and makes the results available to the Beneficial Ownership Registry Authority for follow-up.

Box 5. Illustrating PACC's Data Analysis to Identify Fraudulent Companies

The PACC submitted 60 legal entities which presented characteristics of fraudulent companies to the Beneficial Ownership Registry Authority. The Beneficial Ownership Registry Authority proceeded with a review of these entities and identified inconsistencies/incorrect reports for 18 of them. The Beneficial Ownership Registry Authority's monthly risk-based supervision was therefore extended to these 18 cases on an ad hoc basis. This led to the identification of compliance failures for 12 of these entities, which were forwarded to the Anti-Fraud Office for the application of administrative fiscal penalties or further investigation by the Fraud Office's investigation team. The latter opened investigations against these 12 entities and concluded that all of them were indeed fraudulent companies.

Proceedings were initiated against these 12 entities, and they were removed from the Company Register and their VAT and social security numbers were cancelled. These entities were also added to the public list on the BMF public website. The other six entities, which were not fraudulent but nevertheless failed to comply with the beneficial ownership registration requirements, and the natural persons behind these entities were subject to investigation by the Fraud Office's investigation team.

447. As part of the multi-pronged approach, competent authorities can also obtain information directly from LPs and relevant LAs. In addition to a shareholder register, LPs and LAs are required to maintain accurate and up-to-date beneficial ownership information and file changes in their beneficial ownership information with the Beneficial Ownership Registry Authority. In addition to filing changes within four weeks, they should check the details of their registered beneficial owner(s) at least once a year and report any changes, or confirm that there are no changes, to the Beneficial Ownership Registry Authority (R.24). In 2024, over 87,000 reports not related to the mandatory annual update were filed which demonstrates effective implementation.

448. The Beneficial Ownership Registry Authority does directly request beneficial ownership information from LPs and LAs. The Registry's access to this information is crucial for the verification of beneficial ownership beyond direct ownership (i.e., control). The Beneficial Ownership Registry Authority presented several examples demonstrating frequent interaction with LPs and LAs, and their legal and beneficial owners, including cases with foreign ownership (case examples in the section on Effectiveness, Proportionality, and Dissuasiveness of Sanctions).

449. A mandatory requirement for OEs to report discrepancies to the Beneficial Ownership Registry Authority exists. If OEs discover a discrepancy between the information included in the Beneficial Ownership Register and information collected from the customer, they should file a report unless the customer updates the relevant information included in the Beneficial Ownership Register himself within a reasonable period (usually one week). The discrepancy reporting allows the Beneficial Ownership Registry Authority to identify legal entities which did not spontaneously update changed beneficial ownership information and initiate enforcement measures, if so required.

Table 39. Austria: Number of Discrepancies Reported by OEs

	2020	2021	2022	2023
Discrepancies reported by OEs	177	283	208	216

450. Discrepancy reporting by OEs is limited as a result of the OEs' CDD processes, which alert customers of discrepancies and prompt them to update relevant data in the Beneficial Ownership Register themselves (self-correction). OEs explained that they generally give the customer a few weeks to address the inconsistencies in the register and reports are only filed when the customer does not follow up on that request. CIs and professionals filing information on behalf of their clients, i.e., lawyers, tax advisors undertaking TCSP services, and notaries generally implement the discrepancy reporting effectively. The overreliance by a few types of OEs, especially real estate agents, other TCSPs and DPMS on the Beneficial Ownership Register for conducting CDD might also contribute to the low levels of discrepancy reporting. Overall OEs make a positive contribution to ensuring that the data in the Register remain adequate, accurate, and up to date by prompting their customers to proceed with self-correction.

451. The number of reported discrepancies by competent authorities remains very limited and not in line with their use of this information (i.e., from three reports in 2021 to 12 reports in 2024). This can be explained by the fact that competent authorities do not have a legal

obligation to file discrepancy reports and are simply encouraged to do so. There is frequent interaction between competent authorities and the Beneficial Ownership Register, including during investigations, providing for opportunities for giving direct feedback on the quality of information on legal entities. While this feedback is very valuable in ensuring that information remains adequate, accurate, and up to date, competent authorities would benefit from further awareness raising of their legal obligation to file discrepancy reports.⁷⁰

Timely Access to the Company Register, the Associations Register, and the Register of Foundations and Funds

452. Competent authorities continue to frequently access the registers with basic information, and authorities provided supporting statistics to demonstrate this. They do not use the Beneficial Ownership Register as much for obtaining basic information, even though the Beneficial Ownership Register is linked to this register and also holds basic information. In addition to linking the registers, there are various other measures in place to ensure that the information in the registers with basic information remains accurate and up to date, including but not limited to mandatory and promptly reporting of changes by legal entities.

Timely access to basic and beneficial ownership information upon request from Oes

453. As a supplementary measure to the registers mentioned above, competent authorities have easy access to beneficial ownership information maintained by OEs even though the directly accessible registers with basic and beneficial ownership information generally constitute their preferred sources. A-FIU and LEAs indicated that they do not face any difficulties in obtaining information from OEs in a timely manner. Reports filed by OEs with A-FIU generally contain information on beneficial owners when LPs or LAs are involved. This information is said to be accurate and up to date. Similarly, when as part of their investigation, LEAs request information from OEs, beneficial ownership information is included because an integral part of CDD information.

454. OEs can benefit from a very helpful and effective tool in ensuring that the beneficial ownership information of their customers on record remains adequate, accurate, and up to date. They can sign up to receive automatic alerts from the Beneficial Ownership Register, informing them about any changes in the beneficial ownership information of their customers, which prompts them to update CDD information. This tool is particularly appreciated by CIs and professionals filing beneficial ownership information on behalf of their customer but less known to other OEs.

455. The WiEReG is clear that OEs cannot solely rely on the information contained in the Beneficial Ownership Register but must follow a risk-based approach to CDD. Implementation of CDD requirements in line with legal requirements was observed for CIs and professionals filing beneficial ownership information on behalf of their clients (i.e., lawyers, tax advisors undertaking

⁷⁰ Even though not required by the FATF Standards, following the on-site visit, Austrian authorities presented amendments to the legal framework to make discrepancy reporting by competent authorities mandatory to the extent that such requirement does not interfere unnecessarily with their functions.

TCSP services and notaries). Certain other DNFBPs appear to overly rely on the Register for fulfilling their CDD obligations (see above), which limits their value as an independent source of beneficial ownership information to some extent.

Legal Arrangements: Timely Access to Adequate, Accurate, and Current Basic and Beneficial Ownership Information⁷¹

456. Austria ensures timely access to adequate, accurate, and up-to-date basic and beneficial ownership information of foreign LAs with sufficient links to Austria in the same manner as for domestic and relevant foreign LPs (see previous section). Foreign trusts and similar LAs that are managed from within Austria or appear on the top level in the ownership and control structure of domestic LPs or acquire/own real estate in Austria are subject to the beneficial ownership disclosure requirements set out above. Express trusts and similar LAs holding accounts in Austria can be identified through the Central Register of Accounts and Safe Deposit Boxes and basic and beneficial ownership information can be obtained from OEs upon request.

457. Information on beneficial ownership of these trusts and similar legal arrangements can be accessed via the Beneficial Ownership Register. As of September 30, 2024, five foreign trusts were registered in the Beneficial Ownership Register, which is inexplicably low. Two of these five trusts had natural persons with a residence in Austria as trustees. In addition, 329 domestic LPs were owned indirectly by foreign trusts or similar legal arrangements (i.e., more than 25 percent of the shares are held directly or indirectly by a trust or similar LAs). These domestic LPs are mostly LLCs which are set up for investment purposes, including investment in real estate.

458. The Beneficial Ownership Registry Authority presented examples of its interaction with foreign beneficial owners and trustees which demonstrate the Registry Authority's efforts to understand the entire ownership and control structure of registered legal entities. In addition, foreign trusts and similar LAs should disclose basic and beneficial ownership information before entering into a business relationship with an OE, which is required to verify whether relevant information is on record in the Beneficial Ownership Register. Based on the low number of registered foreign trusts and similar LAs (only five), this requirement appears however not yet effectively implemented.

459. Against this background, and notwithstanding the limited number of separately registered LAs observed in practice, competent authorities are, where relevant, able to obtain information on the beneficial ownership of such trusts or similar LAs, the residence of the trustees or equivalent persons, and assets managed or held through FIs and DNFBPs. While the overall exposure to LAs is considered limited, the existing legal and operational mechanisms allow competent authorities to access the necessary information in a timely manner when required for ML/TF investigations.

⁷¹ See the Methodology for R.25 regarding beneficial ownership information for LAs.

Effectiveness, Proportionality and Dissuasiveness of Sanctions

Sanctions for Failure to Comply with the Beneficial Ownership Reporting Requirements

460. Compliance with the obligation to report beneficial ownership information is ensured on an ongoing basis through the implementation of automated fines. If a report is not filed within the deadline—either within 28 days for a newly established legal entity or within 28 days after the annual reporting obligation—then the competent tax office automatically sends a reminder letter with the threat of a fine of EUR 1,000. If the legal entity fails to report as per the reminder, the fine will be set, and a warning with a higher penalty of EUR 4,000 is imposed. If the LP or foreign LA still fails to report within the given deadline, the penalty of EUR 4,000 will be imposed, and the case will be forwarded to the fiscal authority, which can sanction the legal entity for fiscal offenses and impose administrative fines up to EUR 200,000 based on Art. 15 WiEReG.

461. The approach to sanctions implemented by Austria illustrates that proportionate sanctions are in place depending on the severity and the continuity of the breach. Legal entities are explicitly warned that failure to comply with their beneficial ownership reporting obligations would expose them to administrative sanctions and possible referral to the fiscal authority and its financial police, which are empowered to impose heavier sanctions. Ultimately, the automated sanctions imposed, coupled with the credible threat of referral to the fiscal authority, have clearly had a dissuasive effect on legal entities, prompting them to comply proactively, thereby reducing the need for additional and heavier sanctions.

Table 40. Austria: Warnings and Coercive Penalties for Failure to Comply with the Beneficial Ownership Reporting Requirements

	2021		2022		2023		2024	
	Number	Total value	Number	Total value	Number	Total value	Number	Total value
Warnings of Impending Penalties	33,717	-	27,469	-	24,382	-	21,958	-
Penalty 1 (EUR 1,000)	3,592	EUR 3,592,000	2,519	EUR 2,519,000	2,884	EUR 2,884,000	2,452	EUR 2,452,000
Penalty 2 (EUR 4,000)	870	EUR 3,480,000	832	EUR 3,328,000	798	EUR 3,192,000		EUR 5,064,000
Total		EUR 7,072,000		EUR 5,847,000		EUR 6,076,000	1,266	EUR 7,516,000

Table 41. Austria: Charges and Penalties in Financial Criminal Proceedings for Failure to Comply with the Beneficial Ownership Requirements Including Intentional Filing of Incorrect or Incomplete Reports

	2021		2022		2023		2024	
	No.	Total value EUR	No.	Total value EUR	No.	Total value EUR	No.	Total value EUR
Charges brought against legal entities and related natural persons regarding breaches of the reporting obligations	73	404,500	207	1,022,950	131	738,800	150	1,192,900
Charges brought against natural persons for violations of the reporting obligations (sub-set of line 1 above)					54	362,000	68	676,900

462. Consistent application of the automated penalty procedure and the initiation of fiscal proceedings led to significant improved compliance with reporting obligations. The reporting rate of the legal entities subject to reporting increased to over 98.5 percent in 2025. Implementation manuals and guidelines, sample templates, and FAQs support the Beneficial Ownership Registry Authority, the competent tax offices, and the Anti-Fraud Office with the implementation of the sanctioning provisions. In addition to the automated and coercive sanctions (paras 421–22 and Table 40), Austria’s Anti-Fraud Office within the Tax Authority is responsible for conducting financial criminal proceedings. In case of persistent failings after the coercive penalty procedure is exhausted, the legal entity will be placed on a list of offenders, which is processed by the Anti-Fraud Office. If an intentional violation of the reporting obligations is suspected, financial criminal proceedings are initiated by the Anti-Fraud Office within the Tax Office. More generally, in case the Beneficial Ownership Registry Authority identifies an intentional violation of the reporting obligation (i.e., incorrect and/or incomplete reports), it refers the case to the Anti-Fraud Office because in line with legal requirements, fiscal penal proceedings must be initiated without prior enforcement of coercive penalty proceedings. As far as the fiscal criminal penalties are concerned, sanctions of a legal entity generally presuppose sanctions of the natural person. In cases where the natural person is sanctioned, the legal person is usually sanctioned as part of the same proceeding.⁷² Most of the

⁷² In financial criminal proceedings by the Anti-Fraud Office, as the Fiscal Authority for Fiscal Criminal Offenses is responsible for conducting the oral proceedings and rendering the penalty decision, as well as for the execution of the penalty. If the penalty amount exceeds EUR 33,000, an appraisal court (Federal Tax Court) of three members, chaired by a judge, shall be responsible for conducting the oral proceedings and rendering the decision.

cases identified in Table 41 relate to intentional violations of the reporting obligations by filing incorrect or incomplete reports.

463. The following two case examples illustrate the robust monitoring implemented by the Beneficial Ownership Registry Authority and the application of proportionate sanctions when more serious breaches of the beneficial ownership reporting obligation are identified.

- Case example 1: A report by a legal entity involved in the sale of other goods was chosen for a visual inspection under the risk-based case selection procedure. The report was categorized as high risk because a subsidiary report was made by top-level management stating that, after exhausting all possible measures, it had proven to be impossible for them to identify a beneficial owner for the company. Reports indicating that no beneficial owners could be identified are always classified as high risk. After the visual inspection, the legal entity was asked to submit documents so that the beneficial owners could be identified and verified. The comprehensive audit revealed that a stock company above the legal entity held the shares in trust for a natural person, which meant that the nominator should have been reported as the indirect beneficial owner. Since an inaccurate report had been submitted, and because this had resulted in a failure to disclose the beneficial owner of the entity concerned, there was a substantiated suspicion of a breach of reporting obligations. This led the Beneficial Ownership Registry Authority to refer the case to the relevant fiscal penalty authority.
- Case example 2: This case was initiated by a discrepancy report filed by an OE stating that one or more beneficial owners of an LLC had not been reported. To allow for an in-depth review, the Beneficial Ownership Authority requested documents from the legal entity. According to the Register of Companies, the sole legal owner was a foundation domiciled in Liechtenstein, with only one natural person disclosed as the beneficial owner. However, upon examination of the documents submitted by the legal entity, it quickly became clear that there were office-holders subject to reporting as well as a group of beneficiaries of the foundation. In addition, the officeholders (including beneficiaries) of another private foundation should have been disclosed because that private foundation was a co-founder of the Liechtenstein foundation. Due to the failure to disclose two founders, two members of the foundation board and group of beneficiaries, and the officeholders of the founding private foundation, the Registry Authority referred the case to the relevant fiscal penalty authority. Sanctions for failure to comply with the requirements to update basic information.

Table 42. Austria: Overview of Initial Fines for Failure to Comply with the Requirement to Update Basic Information in the Company Register ^{1/}

Affected legal entities	2020		2021		2022		2023		2024	
	Number of fines	Amount of fines	Number of fines	Amount of fines	Number of fines	Amount of fines	Number of fines	Amount of fines	Number of fines	Amount of fines
Foreign										
AG	1	-	3	-	7	-	9	10,700	0	0
GmbH	6	-	14	-	14	-	20	17,700	17	13,100
KG	2	-	2	-	2	-	7	5,500	2	2,000
Domestic										
AG	2	-	0	-	5	-	10	16,500	7	12,700
GmbH	251	-	329	-	350	-	366	197,095	545	349,940
KG	256	-	178	-	235	-	452	176,640	319	179,220
OG	81	-	75	-	117	-	174	62,510	132	63,730
Gen	0	-	1	-	0	-	2	1,400	2	1,500
PSt	0	-	0	-	6	-	0	0	0	0

^{1/} For the years 2020 to February 2023, only the number of fines is available while since March 2023, data on the total amounts of fines imposed is also recorded.

464. Fines are an effective tool to address compliance failures. In case of persistent failures to update basic information, additional fines are imposed, and these are always accompanied by a publication on the website used by the Company Register for informing the public. The number of such publications is limited, especially compared to the total number of registered legal entities, which suggests that compliance failures are addressed following the initial fine.

Table 43. Austria: Overview of Additional Coercive Fines for Continued Failure to Comply with the Requirement to Update Basic Information in the Company Register Accompanied by a Publication on the Website of the Company Register

	2020	2021	2022	2023	2024
Number of affected legal entities	44	36	52	43	82

465. The authorities could not present statistics about fines imposed for non-compliance with the obligation to report changes in basic information to the Associations Register.

Authorities indicated that compliance with the legal requirement is generally high as demonstrated by the finding that during the first six months of 2025, there were 20,838 changes in basic information of associations reported to the Associations Register.

FINANCIAL INTELLIGENCE

The relevant Immediate Outcomes considered and assessed in this chapter is IO.6. The Recommendations relevant for the assessment of effectiveness under this chapter are R.29-32 and elements of R.1, 2, 4, 8, 9, 15, 34, and 40.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Since the 2016 MER, Austria has made progress in transforming the A-FIU from an investigative unit into an intelligence unit that focuses on analytical functions and performs a filtering role in analyzing financial intelligence. Nevertheless, the A-FIU's operational analysis does not sufficiently contribute to addressing complex ML cases (e.g. third-party or professional ML) in line with Austria's risk and context. In addition, the A-FIU's human resources have not been increased since 2018 despite its expanded tasks and increasing incoming disclosures, and its budget and hiring processes lack sufficient independence.
- b. The A-FIU has timely access to and uses a very broad range of reports (STRs, cross-border cash declarations, threshold reports), data, and tools to produce financial intelligence. Information sources largely contain relevant, accurate, and up-to-date data; however, the reporting of STRs remains overall low to very low across all sectors and particularly for DNFBPs considering the country's risk and context. This impacts A-FIU's access to relevant data that drives its analysis (IO.3/IO.4). LEAs also have access to and routinely make use of a similar broad range of data and tools, in addition to A-FIU disseminations, as part of their financial investigations.
- c. The A-FIU produces financial intelligence that supports the needs of competent authorities only to some extent, focusing mainly on fraud, which is very relevant in Austria's context, but not sufficiently targeting ML and other predicate offenses. Some competent authorities also produce financial intelligence using FIU data and other information to support their investigative, asset identification, and tracing work. Particularly, DSN demonstrated strong capacity to produce financial intelligence on TF, and the Tax Authority also produces financial intelligence in areas such as tax and social security fraud, in both cases with support from A-FIU. Other LEAs produce financial intelligence to a lesser extent, mostly related to fraud offenses.
- d. The A-FIU's strategic analysis function is nascent and requires further development to adequately assist OEs in the identification of suspicions and fully support the development of AML/CFT policies and the operational needs of competent authorities. ML techniques, networks, and modus operandi, and TF are underrepresented in its products.

- e. At the operational level, there is diverse and intensive co-operation and information exchange between the A-FIU and other competent authorities, including police, tax and customs authorities, and supervisors, using secure channels.
- f. Financial intelligence is used by LEAs and other competent authorities for investigations and to identify and trace criminal proceeds and instrumentalities, mostly in relation to fraud and TF, as cases demonstrate. Records available do not allow Austria to draw broader conclusions of how the A-FIU disseminations contribute to investigations or prosecutions, but cases and interviews show they likely assist with initiating investigations into ML predicate offenses or further contribute to investigations already undergoing.

Key Recommended Actions (KRAs)

- a. Austria should ensure that the A-FIU enhances its role in producing financial intelligence that specifically targets ML and TF offenses, including third-party and professional ML, and the main ML threats. The A-FIU should:
 - a. better align prioritization criteria with Austria's risk and context, to better target the production of its financial intelligence products.
 - b. further develop its strategic analysis function to better identify emerging ML/TF risks, inform AML/CFT policies, and identify trends and typologies. Strategic analysis outputs should focus on ML, TF and target the main domestic and transnational ML/TF threats to which Austria is exposed.
- b. Austria should ensure that LEAs increase the use of financial intelligence, including disseminations by the A-FIU, for the investigation of complex ML schemes, including third-party and professional ML.
- c. As a matter of priority, Austria should ensure that the A-FIU is appropriately resourced and recruits additional staff with extensive analytical and other relevant expertise. In particular, the A-FIU should be permitted to decide independently where to recruit its staff from, including from outside the BKA. Furthermore, appropriate safeguards should be in place to guarantee the A-FIU's budgetary and recruitment independence.

Other Recommended Actions

- a. Austria should improve statistical collection on the use of A-FIU disseminations to support investigations, prosecutions, and AR to be able to monitor their effectiveness.
- b. The A-FIU should work with supervisors and reporting entities to increase the quality and quantity of STRs by some key sectors, in particular, and as a matter of priority DNFBPs in higher risks sectors (IO.4).

Overall Conclusions on IO.6

466. Following the 2016 MER, Austria has made progress in transforming the A-FIU from an investigative unit into an intelligence unit focusing on analytical functions and performing a filtering role. The A-FIU has made substantial progress in automation, data access and mining, and efficiently processing of information it receives.

467. STR reporting is of better quality than before but remains overall low to very low in terms of volume, particularly from DNFBPs, impacting the A-FIU's access to relevant data that drives its analysis (IO.3/IO.4). In addition, shortcomings in the prioritization of STRs/SARs received limit the A-FIU's capacity to develop financial intelligence that is fully aligned with Austria's risk and context.

468. The A-FIU produces financial intelligence that supports the needs of competent authorities only to some extent, focusing mainly on fraud, which is very relevant in Austria's context, but not sufficiently targeting ML and other predicate offenses. As such, the A-FIU's operational analysis does not sufficiently contribute to addressing complex ML cases, involving third-party and professional ML, which are relevant in Austria's risk and context and would assist prosecutors pursuing autonomous ML offenses. In addition to these limitations in its spontaneous disseminations, the narrow focus is also reflected in the A-FIU's outputs as a result of its strategic analysis (i.e., insufficient information on ML techniques, networks, *modus operandi*, etc.).

469. Financial intelligence for TF is well developed by DSN based on co-operation with the A-FIU which systematically forwards information from STRs/SARs for DSN to analyze.

Financial intelligence is used in a systematic manner by LEAs and other competent authorities in investigations to develop evidence, identify assets, and trace criminal proceeds, with a focus on predicate offenses rather than ML offenses. There is strong domestic cooperation and information exchange among authorities and the A-FIU.

470. The A-FIU is understaffed relative to the size of the financial and professional sectors and Austria's risk context and faces limitations in its independence regarding human and financial resources.

471. Austria is rated as having a Moderate level of effectiveness for IO.6.

B. Immediate Outcome 6

472. In Austria, the main source of financial intelligence is STRs/SARs filed by OEs and other competent authorities. Other sources include cross-border cash declarations, and threshold-based declarations regarding CBRs, savings account transactions, intelligence produced by LEAs as well as shared by international partners.

473. The A-FIU is the center for reception and analysis of financial intelligence and the dissemination of analytical products to competent authorities. It is a law enforcement-type of FIU embedded within the BKA. It produces financial intelligence for use in LEA investigations. LEAs

benefit from their proximity to the A-FIU as part of the police and play themselves a more limited role in producing (additional) financial intelligence albeit with some exceptions, mainly related to investigation of TF and tax crimes. In particular, the DSN produces financial intelligence as a crucial component of its TF investigations.

Timely Access to Relevant, Accurate and Up-to-Date Information

474. The A-FIU and LEAs have timely access to, and use, an extensive range of relevant, accurate, and up-to-date information sources to produce financial intelligence to advance their pursuit of ML, associated predicate offenses, and TF. The information is either directly accessible or can be obtained quickly through both formal and informal channels.

By the FIU

475. The A-FIU receives a range of reports including STRs/SARs, cross-border cash declarations, as well as threshold-based declarations regarding CBRs and savings account transactions. The A-FIU has direct and timely access to law enforcement and administrative databases,⁷³ such as the Central Account Register, the Beneficial Ownership Register, and various commercial databases. Internationally, it is connected to the Egmont Secure Web (ESW) for all Egmont members and FIU.net for its European counterparts. It also has its own data application, goAML, and an associated in-house case management system interconnected with several databases allowing for automated cross-checks. The A-FIU also utilizes open sources for its analysis.⁷⁴ Figure 2 below illustrates the frequency of A-FIU's use of the different databases.

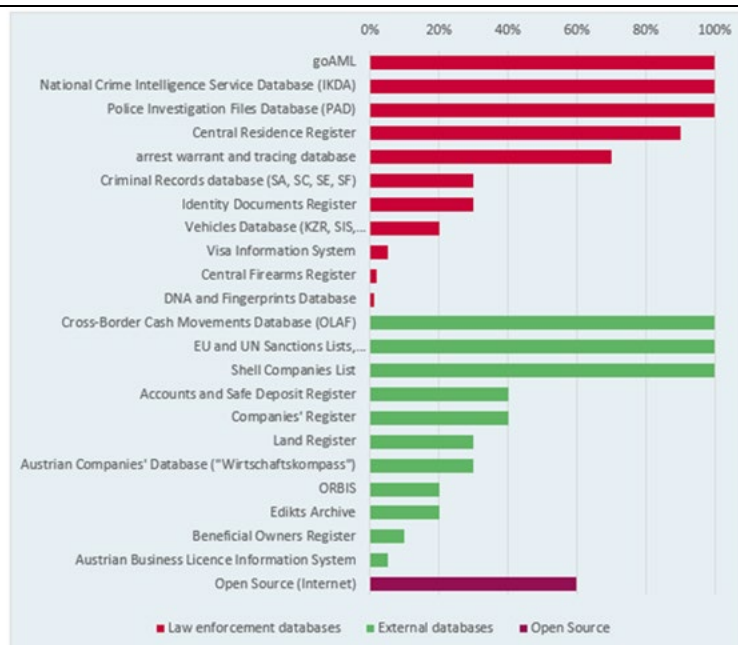
476. During the analytical process, reports received are automatically cross-checked against all information within goAML and the directly accessible databases. This also extends to systematic cross-checks against the data included in the Beneficial Ownership Register using the Austrian Companies Database "*Wirtschaftskompas*." There is therefore no need for the A-FIU to conduct further stand-alone searches in the Beneficial Ownership Register, which explains why the consultations of the Beneficial Ownership Register, as presented in the figure above, appear limited (10.5).

477. The cross-checks against directly accessible databases highly facilitate the identification of linked transactions and patterns. In addition, all data, including the A-FIU's analysis products and information received upon request, are stored in the case management system and are available for data mining by the FIU's analysts during the legal retention period of five years.

⁷³ Police investigation files database, criminal records database, arrest warrant and tracing database, visa information system (European-wide), identity documents database (drivers' licenses, passports, etc.), weapons register, DNA and fingerprints database, vehicles database (cars, ships, aircrafts), and population address register, among others.

⁷⁴ The A-FIU defines open-source research basically as the utilization of the Internet using the standard search options available there.

Figure 2. Austria: Overview of A-FIU's Access to Different Databases and Frequency of Their Use by A-FIU Staff When Performing Analytical Work



Source: A-FIU

478. Since the 2016 MER, the STR reporting system has been significantly improved, including through the introduction of goAML as a new and sole reporting system in 2021. The system also allows for the exchange of information (sending and receiving reports, notices) with OEs and competent authorities, including follow-up on specific submissions. It has significantly simplified and standardized the reporting process, with automated checks for completeness and a consistent structure that facilitates report submission, analysis and data mining. Around 70 percent of reports filed are STRs/SARs (Table 44). At a minimum, STRs/SARs must be accompanied by transaction data for previous year, the account opening documents, and the CDD documents (including on beneficial owners).

Table 44. Austria: Comparison of Incoming Data, Reports by Entities, and STRs/SARs

Year	2019	2020	2021	2022	2023	2024
Total incoming reports	3,656	5,027	5,952	6,903	8,242	12,924
Reporting from OEs (12 types)	3,073	4,356	4,994	6,053	7,603	11,111
of which STRs/SARs (Proportion: ca. 90% STR and 10% SAR)	267	2,258	3,858	5,424	6,704	7,796

479. The A-FIU maintains frequent formal (written requests) and informal (verbal) exchanges with OEs, competent authorities, and other FIUs. It can and does request additional information from OEs or competent authorities, either in relation to a filed report or independently of whether a report has been submitted (Table 45). The A-FIU could not demonstrate the extent to

which it is collecting financial intelligence and other information from competent authorities, and other FIUs.

Table 45. Austria: Number of Requests and Informal Contacts Between A-FIU and OEs					
Year	2020	2021	2022	2023	2024
Official Requests	N/A	630	606	424	423
Informal Contacts	N/A	589	525	389	268

480. The number of STRs and SARs has risen steadily in recent years (Table 46) but remains overall low to very low across all sectors considering Austria's risk and context (IO.3, IO.4).

Within a period of five years, the figures have increased four-fold from an absolute low point, but the overall numbers are still relatively low.⁷⁵ Most reports are submitted by FIs (over 80 percent in 2023 and 2024). The top 10 STR filers were responsible for almost 90 percent of all STRs filed in 2019, and their contribution has gradually decreased to approximately 50 percent of all filings in 2024, meaning that there has been an increase in the number of other OEs over time. The finding that only a relatively small number of FIs (i.e., 59 FIs) is responsible for most of the reports does however remain valid (i.e., 59 FIs all STRs/SARs filed since 2019—IO.3).

481. While this may be partly explained by the concentration in the financial sector, it may also indicate that not all OEs are reporting in line with their risk profile. VASPs made up just over 10 percent of reports in 2023 and 2024. Compared to 2020, VASP reporting has increased twenty-fold. DNFBPs have been reporting at consistently low levels during the entire review period. Their share was even less than one percent of STRs/SARs in the period under review.

482. The A-FIU initiated various initiatives to increase the level of reporting, with a particular focus on DNFBPs. For instance, the FIU organized several training events for the real estate sector, which it considers to be particularly vulnerable to ML. During those, the A-FIU discussed ML typologies and trends focusing on specific abuses of the real estate sector in ML schemes, which are often more complex cases. Overall, the still low level of reporting across the OEs impacts the A-FIU's access to relevant data that drives its analysis.

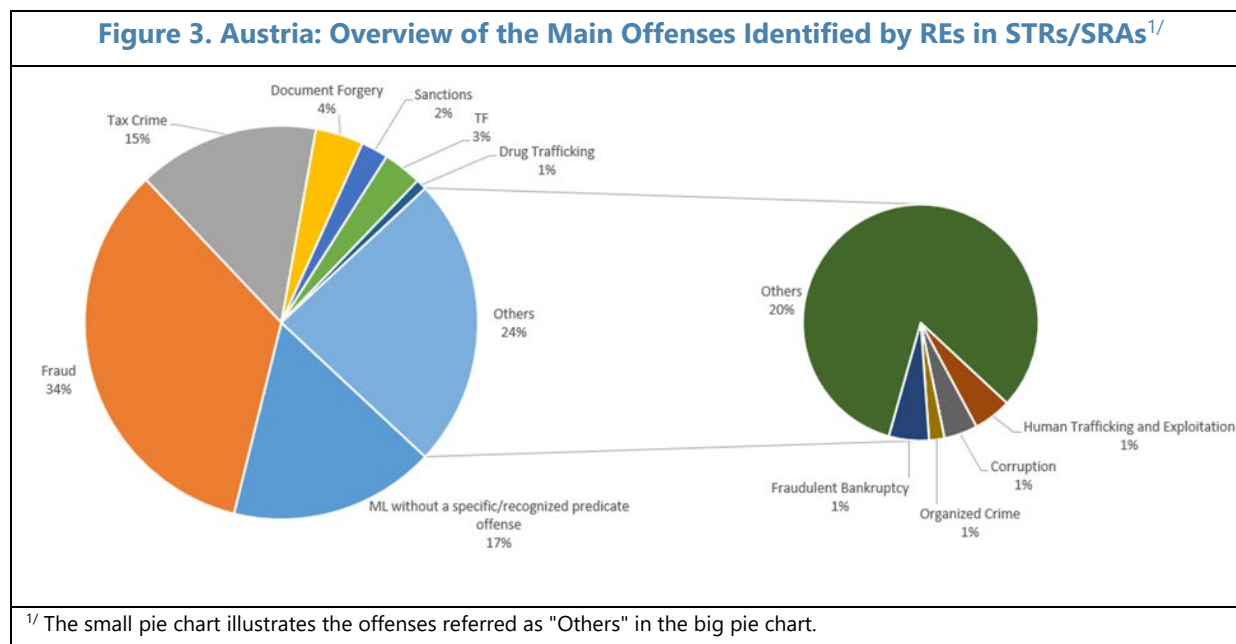
Table 46. Austria: STR & SAR by Reporting Entity						
Source	2019	2020	2021	2022	2023	2024
All REs	267	2,258	3,858	5,424	6,704	11,111
FIs	264	1,992	2,976	3,450	5,419	9,139
VASPs	-	60	279	1,393	699	1,228
Payment Service Providers	-	180	558	509	513	565

⁷⁵ A-FIU's statistics do not differentiate between CIs and FIs.

Table 46. Austria: STR & SAR by Reporting Entity (Concluded)

Gambling and betting providers	-	6	4	15	18	18
Lawyers	-	2	6	13	8	19
Notaries	-	3	9	13	13	33
Others/Other DNFBPs	3	6	14	17	25	86
Insurance companies	-	9	10	14	9	23

483. In terms of content, STR reporting covers some of the main ML threats identified by Austria, in particular fraud and tax crimes (Figure 3).

Figure 3. Austria: Overview of the Main Offenses Identified by REs in STRs/SRAs^{1/}

484. Report completeness has improved steadily in recent years, particularly with the introduction of goAML and is deemed to be good by the A-FIU. Over 90 percent of reports are submitted via XML interface, which is mandatory for CIs, ensuring a basic level of completion. In general, reports are well-substantiated and accompanied by relevant background information (including CDD information with details on beneficial owners) and supporting documents. Currently, the A-FIU rejects only seven percent of reports based on automated checks. In these cases, improvements are typically made promptly and reliably.

485. OEs are very responsive to A-FIU's requests for additional information and respond to them swiftly. Formal requests (Table 23) made between 2021 and 2024 were responded to on average in 3.5 days; with 25 percent of requests answered within 1.2 days. Between 2020 and 2024, there was only one case of non-compliance with a formal request for information, and the A-FIU referred the case to the respective supervisor. In 2022, the A-FIU introduced an automated system to provide instant feedback on the completeness of the STR/SAR received. In addition, this is

complemented by an automated feedback system. The latter implies that, within one month of reporting, the system sends a feedback e-mail to the reporting entity informing them about the status of the analysis (ongoing, on hold, pending further information, or disseminated to a competent authority), which provides, to some extent, an initial indication of the usefulness of the report. The A-FIU, however, does not systematically provide feedback on the quality of content of the report or information on the outcome of any criminal proceedings, as it does not have the latter information (not even for its own functioning), as this data is neither collected, nor tracked (IO.7).

486. The A-FIU hosts or is a member of various PPPs focused on information sharing with the private sector on ML and predicate offenses. The PPP Financial Intelligence Network Austria (FINA) is well-established and includes the most frequently reporting FIs and other competent authorities. It held 19 meetings since it was established in 2020, including three meetings in 2023, to discuss current phenomena and trends, such as the virtual IBAN and related risks, guidance on improving the quality of reporting. The A-FIU also launched a PPP covering the VASP sector (FINA-Crypto) in 2025, which is not operational yet, and it is also a member of a PPP with the legal professions, which was established in 2024 and held several meetings. There are no other PPPs with other DNFBPs.

487. The A-FIU also receives SARs from other authorities, including when they identify suspicions of ML/TF during their operational activities (Table 47). In addition to the identification of suspicions (e.g., by FMA or other supervisors during their supervisory activities), relevant reports also extend to the declarations of cross-border transportation of cash and BNI collected by the Customs.

Table 47. Austria: Reports by Domestic Competent Authorities ^{1/}

Year	2019	2020	2021	2022	2023
FMA	34	22	18	11	4
Customs + MoF	67	35	64	27	24
Courts	No Data	No Data	10	2	1
Other Authorities	No Data	No Data	109	92	90

^{1/}Table 48 presents the total number of reports from other competent authorities, which also includes answers to some (but not all) requests sent by A-FIU to these authorities.

By Other Competent Authorities

488. LEAs have direct and timely access to the same sources of information that are available to the A-FIU, except for A-FIU's own database (goAML) with information on STRs, SARs, other reports received, requests from foreign counterparts, and the follow-up actions taken by A-FIU. In relation to TF-related STR/SARs, after the initial checks by A-FIU, DSN conducts in-depth reviews of STRs/SARs and produces comprehensive financial intelligence to establish whether suspicions filed are pertinent (IO.9 and below). DSN also has its own internal databases, including intelligence collected by its intelligence department.

Production and Dissemination of Financial Intelligence

Production of Financial Intelligence

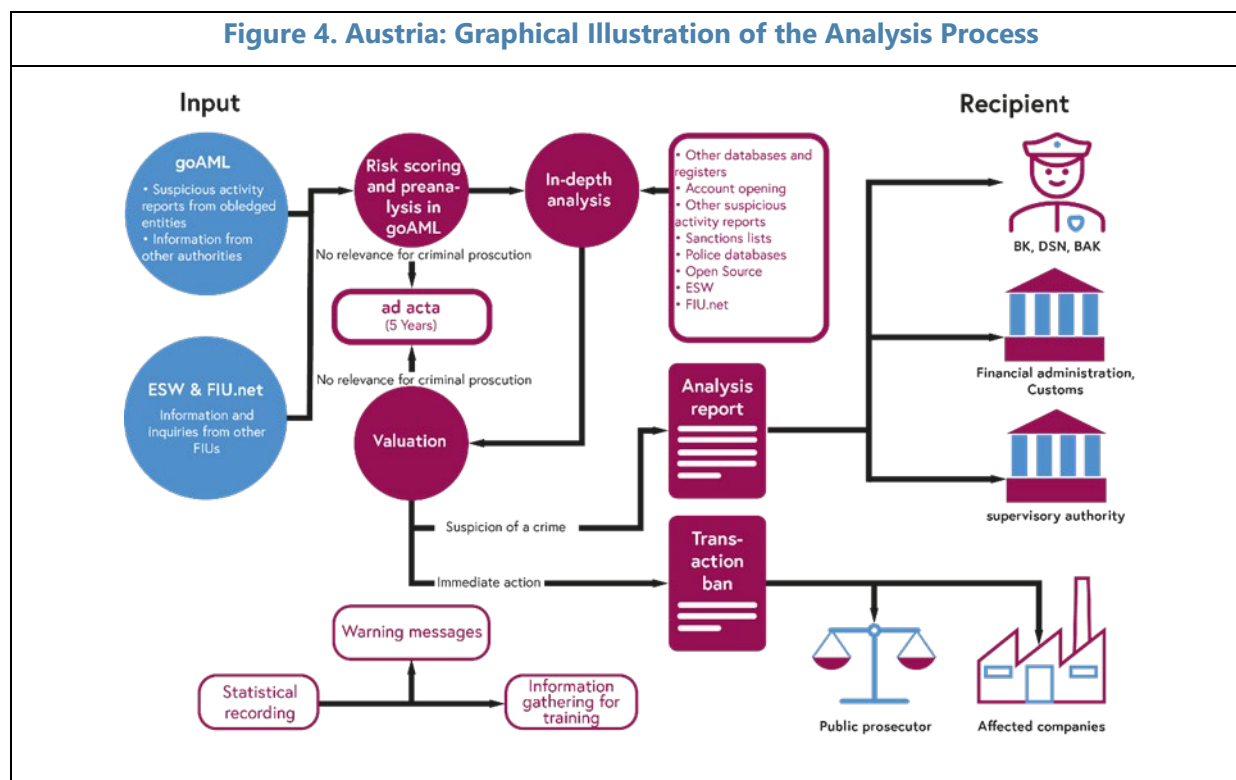
489. A key finding of the 2016 MER was that the A-FIU functioned well as a predicate offense and associated ML investigation unit, rather than as an FIU. The A-FIU approach regarding STR/SAR analysis was primarily investigative, since it sought to identify predicate offenses that could trigger a criminal case, as opposed to gathering information and financial intelligence and analyzing it. The A-FIU did not act as a filter, since more than 80 percent of the incoming information was merely transferred without further analysis to investigative authorities, instead of being analyzed for possible ML/TF.

490. In 2020, the A-FIU underwent a fundamental restructuring. The A-FIU's role was clearly established in legislation while its autonomy to conduct analysis and disseminate financial intelligence as well as its other specific tasks were clarified in the FIU General Federal Decree. The A-FIU was formally assigned with the task of analyzing incoming information and relieved from investigative functions and duties.

491. The A-FIU recently developed a comprehensive analysis process that combines automated and manual cross-checks, risk-based and network analyses, but this requires further calibration to have a substantive impact on effectiveness. The A-FIU uses a dashboard developed in-house to monitor and control its data and processes (Figure 3). Since January 2025, it implemented a rules-based scoring system aimed at capturing risks to prioritize reports for analysis, and there are already plans for dynamic reviews of the system and incremental improvements to make it more risk-based. Before 2025, A-FIU staff manually reviewed incoming reports to establish priority, classifying all reports into three categories.

492. The 2025 semi-automated scoring system is calibrated with some consideration of the NRA results for prioritizing cases for analysis. The rules-based scoring system considers several factors such as (i) person/entity risk (e.g., PEP, person already identified in a police database etc.); (ii) some transactional characteristics (e.g., type and amount of the transaction, suspected predicate offenses); and (iii) some limited geographical risks (i.e., FATF-listed jurisdictions only). Based on set rules, the system automatically assigns scores depending on the occurrence and combination of these criteria: the higher the score, the higher the assumed risk, the higher the processing priority. Reports with the highest priority are processed immediately, while those with a medium score are second in line for processing, and those with a low score are not processed and are stored in the database for five years. The system also allows for manual intervention to “upgrade” or “downgrade” reports, and a sample of reports are also manually reviewed to ensure automated allocation is functioning well.

Figure 4. Austria: Graphical Illustration of the Analysis Process



493. The scoring system and calibration of individual criteria for the processing rules do not favor the identification of ML cases, including as the scoring focuses too heavily on predicate offenses, in particular fraud.⁷⁶ The system does not currently provide a sufficiently solid basis to effectively steer the FIU's analytical activities. The criterion on geographical risks is not sufficiently granular and does not consider Austria's risk and context, including its exposure to transnational ML/TF threats and related cross-border financial flows. In addition, if the OE classifies transactions as ML (as opposed to a predicate offense to ML), this factor is given the minimal weight as the A-FIU considers this as insufficient to substantiate suspicions. More importantly, if there is no possibility to establish a strong link to a specific predicate offense in the first place, the STR will often be disregarded. This results in a prioritization system which is rather rule-based instead of risk-based. On average, only between 5–10 percent of reports were assigned a high score and identified as priority cases, whereas the vast majority are classified as low priority or have scores that are too close to each other, making efficient prioritization difficult.

494. The A-FIU has operational independence regarding its analytical and dissemination activities but lacks sufficient independence when it comes to budget and staffing. As a separate unit within the BKA, it does not have its own budget, and its staff is not permanently assigned to it. It cannot freely recruit personnel from outside the BKA and must rely instead on staff

⁷⁶ e.g., reports of suspicion of fraud offenses of an amount over EUR 5,000 are given the same priority as reports of tax offenses of over EUR 100,000. Those are the legal thresholds for these offenses being considered ML predicate offenses (see also IO.7).

from the police force for some positions, including analytical ones.⁷⁷ Staff are therefore generally investigators recruited by the BKA while some of them are seconded from other government agencies. This curtails A-FIU's independence and has a negative impact on the A-FIU's ability to obtain and maintain expertise needed in some areas, particularly for its analytical functions.

495. The A-FIU's staffing levels are insufficient for it to fulfil its tasks and develop its operational and strategic analysis capabilities, but BKA management indicated during the onsite visit that it is planning to double the current A-FIU staff numbers. The announced increase in staffing levels is crucial to ensure that the A-FIU is able to deal with the increasing number of STRs and other reports received. Following the 2016 MER recommendations, the A-FIU's organizational structure has been optimized and the budget for number of staff increased from 20 FTEs in 2016 (consisting of one financial analyst and mostly investigators) to 24 FTEs in 2018. The 2025 budget allocation for the number of FTEs is still at the 2018 level which appears to be insufficient in relation to the size of the financial market and DNFBP sectors, the level of risks and the increasing number of incoming reports (including STRs) since 2020. Moreover, the full 24 FTEs positions have never been fully filled to date.⁷⁸ The operational analysis unit has therefore been understaffed for years, with total FTE positions not being adjusted following the strategic analysis unit establishment (four FTEs).

Dissemination of Financial Intelligence

496. Following the A-FIU's restructuring and the increased focus on analytical functions, the STR dissemination ratio has declined in favor of more in-depth analysis in relation to certain predicate offenses (Table 48). At the beginning of the period under review, the A-FIU disseminated an overwhelming majority of STRs/SARs received, with limited analysis (mainly just database checks). Disseminations decreased gradually over time and now tend to include more analysis encompassing multiple STRs, even though the focus remains on supporting predicate offense investigations (rather than developing ML intelligence). For TF, the A-FIU only performs some initial checks on TF suspicion-related STR/SARs and subsequently transfers them, without analysis, to DSN for full analytical review. Reports not disseminated are stored in the system for five years and may be included in future disseminations should new information or reports increase their usability. Incoming reports are automatically cross-checked with the existing data and checked for similarities—e.g. names, addresses, telephone numbers.

⁷⁷ More than 50 percent of the FIU's staffing budget cannot be freely recruited.

⁷⁸ Number of staff: 2018: 9 FTE; 2019: 15 FTE; 2020: 19 FTE; 2021: 19 FTE; 2022: 19 FTE; 2023: 16 FTE; 2024: 22 FTE).

Table 48. Austria: A-FIU Dissemination Ratio to Competent Authorities

Year	2018	2019	2020	2021	2022	2023
Total Reports from OEs (mainly STRs/SARs but extending to other types of reports)	2,744	3,073	4,356	4,994	6,053	7,603
Reports not disseminated (and stored as “passive follow-up analysis”)	2,162	2,453	2,416	3,969	5,078	2,162
Reports included in disseminations	2,312	1,494	1,903	2,578	2,084	2,525
Dissemination Ratio	84.3%	48.6%	43.7%	49.4%	34.4%	33.3%

Table 49. Austria: Dissemination Breakdown by Receiving Authority ^{1/}

Recipients of analysis reports	2019	2020	2021	2022	2023	2024
Federal Criminal Intelligence Service (CIS) (BK) (internal)	1,128	609	809	571	516	725
BMF	161	95	157	192	185	211
BVT/DSN	110	57	67	46	69	219
FMA	33	19	46	42	28	21
BAK	22	0	3	4	3	3
Other recipients	40	38	18	40	61	174
Total	1,494	1,903	2,578	2,084	2,525	1,353

^{1/} For years 2019–2023, data was collected retrospectively and is subject to errors.

Table 50. Austria: Dissemination by Suspected Offense

Offense	2020	2021	2022	2023	2024
TF	N/A	203	116	136	239
Fraud	N/A	1,824	1,832	1,575	1,114
Drug Trafficking	N/A	60	65	51	31
Document Forgery	N/A	192	301	207	129
Organized Crime	N/A	19	74	30	12
Human Trafficking	N/A	80	33	29	31

FIU Financial Intelligence Supporting Needs of Competent Authorities

497. The A-FIU’s financial intelligence supports the operational needs of competent authorities only to some extent as financial intelligence packages spontaneously disseminated generally do not target more complex ML schemes, third-party, or professional ML. There is

no formal mechanism in place for LEAs to provide feedback to the A-FIU. During the onsite visit, LEAs indicated that, overall, the comprehensiveness of A-FIU's operational analysis was good. Most operational analysis reports focus on predicate offenses, especially fraud and, to some extent also, tax fraud, and associated simple ML schemes. A-FIU disseminated an important number of financial intelligence reports to the Tax Authority (TA) (2021: 515; 2022: 673; 2023: 629; 2024: 324), which the TA considers as a crucial factor to select cases for tax audits. However, since 2024, the number of disseminations to the TA has dropped significantly, which is partly due to changes in A-FIU staffing with new staff having less experience in dealing with tax matters. This finding illustrates the resource issues that the A-FIU is facing, including recruitment limitations (section on Production of Financial Intelligence). In addition, and equally important, the recently introduced risk scoring system further assigns lower priority to tax as a predicate offense, resulting in a reduced focus on STRs/SARs potentially related to tax fraud (section on Dissemination of Financial Intelligence).

498. A-FIU demonstrated that it is able to adequately support LEAs in their investigations upon request, including in some complex ML schemes. Competent authorities, especially LEAs, rely on the A-FIU as a valuable source of financial intelligence. In their investigations, they often request A-FIU's assistance to identify new targets and trace criminal proceeds. During the onsite visit, competent authorities highlighted the added value of the A-FIU's analyses in criminal investigations or to trace criminal proceeds.

499. The A-FIU has commenced to conduct strategic analysis, but its products are not yet sufficiently developed to adequately identify predominant ML/TF modus operandi in line with risk and context. Among its most important products are the Warning Notices to OEs introduced in 2020. These notices are used to trigger STRs/SARs on specific phenomena and, more generally, to publish warnings and give a high-level description of phenomena and trends. The notices and other relevant information are made available in a straightforward manner to OEs and competent authorities via goAML. Since 2022, notices are color-coded depending on the topic.⁷⁹ The overall focus has been on fraud and related offenses, while a few strategic analysis products related to topics such as virtual IBANs and fraudulent companies.

Box 6. Example for Red Notice and Targeted Deployment of Strategic Analysis

The A-FIU received a police "Situation Report Fraud" informing it about an emerging phishing phenomenon. Based on the modus operandi described in the report (transaction structure, average transaction amount, payment reference, etc.), the A-FIU issued a Red Notice via goAML to relevant reporting entities assisting them in identifying perpetrators and money mule accounts. CIs quickly adapted their transaction monitoring tools in response to the notice. As a result, the A-FIU received approximately 150 STRs from CIs and VASPs via goAML regarding fraudulent transactions (triggered by two indicators: amount and subject/payment

⁷⁹ *Red Warning Notices* are urgent warnings about current and specific modi operandi. The A-FIU expects OEs to react quickly and take appropriate countermeasures. *Purple Notices* provide information at an early stage about phenomena, trends, and patterns as well as patterns that go beyond a specific individual case. They offer the private sector a general input in the fight against fraud, ML and TF and for their risk assessment and can be used at their own discretion. *Green Notices* are used to inform OEs about new developments regarding goAML, technical updates, and successful investigations.

Box 6. Example for Red Notice and Targeted Deployment of Strategic Analysis (Concluded)

reference). The A-FIU has conducted detailed analysis, including bank statements, IP addresses, and account holder information, and identified 16 suspects who had opened Austrian bank accounts online and did not have a permanent residence address in Austria. All information was disseminated to the responsible investigative unit and the AR office. FMA as well as BMF published the following articles:

<https://www.fma.gv.at/phising/>, <https://www.bmf.gv.at/presse/pressemeldungen/2023/Maerz/warnung-phishing.html>

Other Competent Authorities Producing Financial Intelligence (Where Relevant)

500. Other competent authorities also produce financial intelligence using FIU data and other information to support their needs. For TF, A-FIU and DSN closely cooperate to develop financial intelligence. After initial verification in directly accessible databases, the A-FIU systematically transfers TF-related STR/SARs to the DSN for further review. In those cases, the DSN conducts an in-depth analysis and produces financial intelligence, with A-FIU data support (IO.9). The DSN also presented cases, demonstrating that in complex financial investigations, it was able to identify, trace, and freeze funds and other assets for the benefit of individuals and entities engaged in circumvention of sanctions, including through extensive use of financial intelligence and financial flow analysis (IO.11). Tax authorities and the A-FIU also co-operate to produce financial intelligence in tax and social security fraud schemes with OEs' support. This led to the identification of 266 foreign fictitious companies from 14 countries (IO.5).

Co-operation and Exchange of Information/Financial Intelligence***Co-operation and Exchange***

501. There is diverse and intensive co-operation and information exchange between the A-FIU and other competent authorities at the operational and strategic level. The A-FIU acts as a hub for information access, particularly for LEAs. Due to the A-FIU being part of BKA, relevant information flows rapidly and informally between A-FIU and investigation units, respecting confidentiality safeguards. No statistics are kept on this co-operation which both A-FIU and BKA nevertheless reported to be very frequent. Some of the red notice warnings have been issued based on precisely this type of exchange (Box 6). There is also information exchange with supervisory authorities, as reported by both the A-FIU and supervisors, including in the framework of PPPs. The PPPs provide an opportunity for the A-FIU to share typologies and feedback on reporting.

502. LEAs proactively request A-FIU's support for the analysis of complex financial flows which has resulted in A-FIU's disseminations upon request (section Dissemination of Financial Intelligence). Competent authorities and A-FIU are also working together to build capacity. From 2020 to 2022, prosecutors and criminal investigators were trained on the use of financial intelligence, and the A-FIU provided practical information on use of bank data, VAs, the identification of international account connections, and the benefits of collecting information via Egmont.

503. The A-FIU and the DSN closely cooperate in the development of financial intelligence for TF and PF (see above). Between 2021 and 2023, the A-FIU made 580 disseminations to DSN, mainly information from TF-related STRs/SARs, which were systematically forwarded with very limited financial analysis. A memorandum of understanding is in place between both agencies, and intelligence and policy coordination meetings take place at least four times a year. Topics include coordination of identification of assets by UN-designated individuals and entities, developing A-FIU notices on TF, and the NPO SRA (IO.10).

504. The A-FIU and the Tax Authority work closely together mutually supporting each other's activities. They developed a common initiative to detect shell companies involved in tax and social security fraud schemes (i.e., fraudulent companies) (IO.5). This resulted in 11 tax-recovering orders for a total of EUR 5 million for suspected tax fraud and frozen bank accounts for a value of about EUR 2 million. Where ML indicia are identified in the investigation of tax crimes, the tax authority also submit STRs to the A-FIU (26 in 2020, 22 in 2021, 17 in 2022, 15 in 2023 and 18 in 2024). The Tax Authority and the A-FIU have also established a job rotation program to improve co-operation and development of financial intelligence for tax purposes. Customs also submitted STRs (9 in 2020, 42 in 2021, 10 in 2022, 9 in 2023, and 9 in 2024), in addition to sharing declarations on the cross-border movement of cash and BNI with the A-FIU.

505. In 2022, the A-FIU and ARO established a co-operation mechanism to enable LEAs to utilize A-FIU's cooperation channels for seeking information from foreign counterparts to support asset freezing. The A-FIU also developed a guideline to LEAs on international freezing requests (IO.8).

506. Co-operation and information exchange between the A-FIU and the FMA is extensive and frequent, almost daily, via goAML or in meetings. A-FIU regularly disseminates reports⁸⁰ to the FMA, on suspected breaches of regulatory laws or preventive measures, as well as data that contribute to the FMA's risk profiling of FIs or support the licensing/registration of new FIs. This is illustrated by one case where the FMA, after close cooperation with the A-FIU, imposed a fine of EUR 100,000 on a CI, also leading the CI to stop issuing a specific illicit high-risk product (i.e., anonymous saving bearer books) which demonstrates effective cooperation (IO.3), albeit with minimal direct consequences for the bank for a serious criminal/administrative misconduct. The FMA also files SARs/STRs resulting from its supervisory activities (34 in 2019, 22 in 2020, 18 in 2021, 11 in 2022, 4 in 2023, and 7 in 2024). The FMA also consults A-FIU before the publication of circulars/decrees on preventive measures. The A-FIU and the CIS Austria supported the FMA during the creation of a biometric customer identification process. A job rotation program has also been established between the FMA and the A-FIU.

⁸⁰ Which may include information from STRs and SARs. The STR and SAR will be anonymized regarding the persons involved in the report.

Security and Confidentiality

507. The A-FIU takes appropriate measures to ensure that sensitive information remains protected, including security-clearing of employees who are also bound to strict confidentiality rules. The A-FIU's premises are physically separate from other BKA offices and only accessible to authorized personnel to protect confidentiality. While the A-FIU shares BKA's IT infrastructure, access to its database is restricted. Externally, data is transmitted primarily via secure channels: nationally, via the encrypted goAML platform or special police networks; internationally, via Egmont Secure Web or FIU.net. When disseminating analysis reports to competent authorities, the need-to-know principle is always observed: reports are only sent to those agencies that are necessary for further investigations.

Using Information/Financial Intelligence

Using Information / Financial Intelligence for Investigations and Developing Evidence

508. Financial intelligence is commonly used by LEAs and other competent authorities for investigations even though the extent to which they produce financial intelligence themselves remains more limited (except the DSN and the Tax Authority). In relation to TF, most cases originate from the transfer of information from TF-related STRs/SARs to DSN (section on FIU Financial Intelligence Supporting Needs of Competent Authorities and IO.9 case). On that basis, DSN collects and develops its own financial intelligence to determine if and to what extent the information reported to the FIU is indeed related to TF. In the area of fraud prevention, the FIU's analyses often serve as the starting point for investigations as well, in addition to victim's complaints (which likely trigger FIs to file STRs).

509. For ML, financial intelligence produced by the A-FIU often supports the commencement of predicate offenses and related ML investigations or is used to develop evidence. Austria does not keep statistics on the main triggers for ML investigations—e.g. how many result from financial investigations into the predicate offenses, victim complaints (e.g. on fraud cases), FIU disseminations, cash controls at the borders, MLA requests, etc. LEAs interviewed and case studies indicate that many ML investigations likely derive from investigations on predicate offenses, which themselves commonly start by or are supported by A-FIU disseminations. This is particularly the case for investigations into fraud-related offenses, where FIs' internal controls (or victim complaints received by FIs) often lead to STRs. There are examples where FIU disseminations assisted in uncovering complex fraud schemes early on, securing assets (see below and IO.7) and LEAs commended the A-FIU for the noticeable improvements in the quality of dissemination in recent years.

Box 7. Case Study: Goldeneye

Customs submitted an STR to the A-FIU reporting that, during a customs control at the Vienna Airport, two travelers were apprehended with undeclared cash totaling almost EUR 700,000. The STR included the identity of the travelers and circumstances involved. The A-FIU identified a network involving the two

Box 7. Case Study: Goldeneye (Concluded)

travelers and numerous other individuals and companies after analyzing extensive transaction data, links to other STRs, cash transaction information and database checks, supported by Europol inquiries and open-source research. The A-FIU also contacted two foreign FIUs for further information on specific transactions. A-FIU disseminated a financial intelligence report to LEAs who proceeded with a criminal investigation, identifying individuals suspected of laundering proceeds from criminal activities, including human smuggling.

LEAs analysis of the respective bank accounts of the suspects showed that 3,190 transactions totalling over EUR 13 million were recorded in a 2-year time span. The suspicious account activity stemmed from cash deposits and none of the suspects could prove the source of funds and source of wealth, which initiated further financial investigations.

One individual has been sentenced for smuggling of human beings, and mobile phones, cash, and jewelry have been seized. Financial investigations regarding the multiple other suspects are still ongoing.

Using Information / Financial Intelligence to Assist in Identifying and Tracing Criminal Proceeds or Instrumentalities

510. Financial intelligence is used by LEAs to identify and trace criminal proceeds and instrumentalities, as some case studies demonstrate. LEAs routinely work to identify and trace proceeds and instrumentalities as part of their integrated financial investigations (IO.8). They also make use of international channels when assets are located abroad. There is close cooperation between the A-FIU and LEAs, and some case studies indicate that A-FIU disseminations assisted uncovering complex fraud schemes and securing assets early (cases below). The possibility of the A-FIU sending automated notices to OEs requiring immediate action supports asset tracing efforts and was identified by LEAs as a strength. Easy and rapid access to data on land ownership, beneficial ownership, and account holders also assists with the tracing of criminal property.

Box 8. Case Study: FINLINK

In 2023, LEAs became aware of a phishing fraud scheme. The perpetrators sent fake SMS messages, claiming to be from the tax office, and that the recipient was entitled to a tax refund. In order to receive such refund, users were instructed to verify their information via a link included in the message. In reality, the link led to a fake website that requested users to enter their banking details.

A "Situation Report Fraud" from CIS unit 7.2 identified this phishing pattern at an early stage through live screening of new fraud cases. The CIS unit immediately informed the A-FIU, which subsequently issued Red Warning Notices through goAML to relevant reporting entities in order to identify perpetrator and money mule accounts, as the identified pattern involved, among other things, linked to accounts in Lithuania, specific transaction amounts, and particular payment references.

CIs quickly adjusted their transaction monitoring systems. As a result, the A-FIU received around 150 STRs via goAML from FIs and VASPs concerning fraudulent transactions. With the support of the ARO, investigators and public prosecutors were able to block 21 bank accounts and seize EUR 239,945 from them. Although approximately EUR 150,000 had already disappeared through foreign channels by that point, these measures immediately brought the fraud scheme to a halt.

Box 9. Case Study: PONZI

Starting in October 2019, the A-FIU received 18 STRs over 3 years concerning a fraudulent crypto investment scheme, operated via social media and a website, by suspects that did not hold a regulatory license from the FMA for the provision of financial services. The suspects promoted the scheme aggressively, including through encrypted messaging and physical events, luring investors with promises of daily returns of up to 0.32 percent. Customers were induced to transfer funds—often to constantly changing, mostly foreign accounts—under the false pretense of profitable cryptocurrency or real estate investments. The funds were used to finance the suspects’ lavish lifestyles, while the advertised projects were never realized.

Through analysis, case linkage, and international cooperation, the A-FIU produced an analysis report and disseminated it to the competent LEAs. The FMA issued an investor warning. In 2024, authorities seized high-value assets (e.g., sports car, jewelry, expensive watch, 83 mobile devices, and 30 cryptocurrency wallets, and exchanged 112 Europol/Interpol messages). One suspect was extradited from South America. In October 2024, five defendants were convicted—two of them received five-year of unconditional imprisonment—while five other defendants were acquitted.

511. The A-FIU rarely makes use of its transaction suspension powers, as it prefers to reach out directly to public prosecutors who are generally available at short notice for issuing freezing orders, including to follow up on informal requests by the A-FIU or LEAs. While authorities reported that this system generally works well in practice, it can be questioned, particularly for cases above EUR 10,000, whether Austria is making full use of the possibility to suspend transactions, in particular in the context of combating fraud cases via the financial sector (IO.8).

MONEY LAUNDERING INVESTIGATIONS AND PROSECUTIONS

The relevant Immediate Outcomes considered and assessed in this chapter is IO.7. The Recommendations relevant for the assessment of effectiveness under this chapter are R. 3, 30, 31 and elements of R.1, 2, 15, 32, 37, 39 and 40.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Austria has a legal and institutional framework to identify and prosecute ML, which has been further strengthened through legal amendments in 2017 and 2021. Despite that, restrictive interpretations of the ML offense continue to limit investigation and prosecution of standalone and third-party ML cases as was already highlighted in its 2016 MER. A key obstacle—among others—lies in the high evidentiary standard of proof required in relation to the *mens rea* elements of the ML offense. In addition, the requirement to sufficiently evidence a specific predicate offense constitutes an insurmountable hurdle in practice.

- b. As reflected in the institutional set-up, ML competence largely follows that of the underlying crime. LEAs investigate ML activities when linked to a predicate offense (mainly fraud), including some complex cases demonstrating their generally strong expertise and capabilities, but they also face significant difficulties in detecting ML in other instances, which appears to be partly due to the design of the ML offense.
- c. Overall, the number of ML investigations conducted across all LEAs is low and not fully aligned with Austria's risk profile. Most investigations involve low values and are mostly triggered from investigations into predicate offenses. ML investigations triggered by cross-border controls are, at best, very rare. ML investigations related to corruption triggered no indictment. ML is not being prioritized in the criminal justice system, and LEAs' prosecutorial, and judicial resources and tools seem insufficient to scale up results.
- d. The number of ML convictions has increased in recent years but remains overall low considering Austria's risk profile and when compared to the number of convictions for predicate offenses.
- e. Sanctions imposed for ML broadly align with sanctions for other crimes in Austria but are not sufficiently effective and dissuasive. There are no cases where sanctions for ML have been applied against a legal person.
- f. When it is not possible to secure a ML conviction, Austria pursues alternative criminal measures to some extent, including AR measures and prosecuting the ML offender as a participant in the commission of the predicate offense—mostly for fraud-related cases, although results achieved are not tracked.

Key Recommended Actions (KRAs)

- a. BMJ and BMI should take the necessary measures to ensure that the standard of proof does not impede prosecution of the full range of ML offenses in line with FATF standards, including by ensuring that (see relevant sections below):
 - a. a predicate offense does not need to be proven beyond a reasonable doubt in order to prosecute ML, which could include reducing the burden of proof required to establish that property constitutes the proceeds of crime; and
 - b. the evidentiary requirements for proving the intention and knowledge elements of the ML offense do not unduly restrict the effective prosecution of such offense.
- b. BMJ and BMI should ensure that the judiciary and LEAs' interpretations and understanding of the ML offense are aligned with international standards, including by:
 - a. developing formal guidelines drawing on international and domestic requirements for the ML offense and international good practices for investigating and prosecuting it; and

- b. holding regular trainings.
- c. Relevant authorities should take the necessary measures to ensure that the detection, investigation, and prosecution of ML are consistent with Austria's risk profile. This should result in a significant increase in ML cases including complex ML, third-party and/or professional money launderers, and ML related to foreign predicate offenses, as well as a broader range of predicate offenses and ML methods, such as the misuse of legal persons and the transportation of cash and other high-value commodities.

Other Recommended Actions

- a. Austria should ensure that LEAs and public prosecutors have adequate capacity, including sufficient human resources, to effectively detect, investigate, and prosecute ML cases, and should consider establishing structures and specialization to support standalone ML investigations.
- b. Austria should improve its analytical tools, particularly its statistical tools, to provide for (i) a better understanding of the extent and type of ML activity that is being investigated and prosecuted in line with its risks, and (ii) an accurate and up-to-date picture of ML trends. These improvements should allow Austria to monitor the implementation of ML policies at investigative and justice levels and adapt its tools and allocate resources as needed.
- c. Austria should take measures, in line with its fundamental principles of domestic law, to allow for the remote real-time surveillance of encrypted communications for investigations into ML and the associated predicate offenses.

Overall Conclusions on IO.7

512. ML investigations in Austria are closely tied to predicate offense investigations, mainly fraud. During the review period, Austria did not have a particular focus on identifying and disrupting ML networks, other than when identifying them in the course of predicate investigations. This approach allows Austria to seldom identify autonomous ML or ML connected to foreign predicate offenses.

513. Overall, the number of ML investigations conducted across all LEAs appears low and not fully aligned with Austria's risks. Austria lacks targeted AML investigative strategies and guidance documents. ML related to relevant threats such as drug trafficking, tax offenses, and corruption are not pursued in line with Austria's risk and context.

514. Restrictive interpretations of the ML offense continue to limit investigation and prosecution of standalone and third-party ML cases. ML convictions remain low overall but are increasing, and high-value, complex or third-party ML cases are rare.

515. These shortcomings require moderate improvements.

516. Sanctions are generally not dissuasive, even if proportionate to sentencing of other economic crimes in Austria. No sanctions have been imposed on LPs. Alternative criminal measures are pursued to limited extent and there is lack of data to allow an assessment of their effectiveness.

517. Austria is rated as having a Moderate level of effectiveness for IO.7.

B. Immediate Outcome 7

518. Austria has a legal and institutional framework that largely allows it to identify and prosecute ML. In the 2016 MER, Austria's effectiveness with IO.7 was rated Low. Since then, the country has made some improvements in both the legal framework and practical implementation. Notwithstanding, some of the key deficiencies identified in 2016 remain and continue to impact Austria's ability to successfully investigate, prosecute, and convict ML offenders in line with its risk and additional legal impediments have arisen in the meantime. Moreover, there remains a shortage of reliable and comprehensive statistics about the different types of ML investigations and prosecutions that are being pursued, limiting the country's ability to track the type of ML activity being investigated and prosecuted and any trends.

519. Austria introduced amendments to strengthen the pursuit of its ML offense (Art. 165 of the Criminal Code (StGB)) in 2017 and 2021. Key changes included an expansion of the scope of self-laundering, a significant broadening of the range of covered predicate offenses, and an increase in the penalty range. Nevertheless, the range of ML predicate offenses covered as tax crimes continues to present shortcomings (R.3), which is relevant in Austria's risk and context. In addition, while measures were taken during the 2021 reform such as inclusion of conditional intent, in practice those have been insufficient to address the high evidentiary standard to prove the predicate offense as well as the knowledge of the illicit origin of property and the intent to commit the ML offense.⁸¹

520. In practice, competent authorities often continue to face these obstacles and struggle to identify, investigate, and prosecute ML successfully. Several practical legal challenges and jurisprudence that LEAs and prosecutors face had not been noted by BMJ before the onsite visit, despite the opportunities for ongoing discussions between BMJ and heads of prosecution.⁸² This results in those challenges not being sufficiently acknowledged in policy making and legal drafting (IO.1).

⁸¹ In its 2025-2029 government program, the Austrian federal government has set itself the task of reviewing the enforcement of measures to combat ML and confiscate assets, including a review of the definition of ML in Section 165 of the Criminal Code (StGB). A working group will be set up for this review.

⁸² In view of the challenges that first came to its attention during the on-site visit, the BMJ has begun to establish a reporting obligation for prosecutors regarding problematic cases in connection with ML and AR. A standard template and an established process are intended to ensure that the responsible units within the Ministry are informed of the challenges in a timely manner.

ML Activity Identified and Investigated

521. Austria investigates ML activities when linked to a predicate offense (commonly fraud), including some complex cases, but faces significant difficulties in detecting them in other instances, which appears to be linked in particular to the design of the ML offense.

Moreover, the overall number of ML investigations appears overall low, which may also be attributed to difficulties to establish knowledge and intent elements of the ML offense (section on Prosecuting and Convicting Different Types of ML Activity).

522. LEAs are legally required to and in practice conduct parallel financial investigations to identify, trace, and assess criminal assets when investigating criminal offenses, including ML predicates, and those financial investigations are an integral part of the main investigation (IO.8). When LEAs develop initial suspicion of ML during predicate investigations, they also open formal ML investigations, although these are often similar or complementary to the financial investigations which are integrated into the predicate offense investigations. In addition, the requirements for establishing an initial suspicion are offense-specific, meaning that this threshold essentially reflects the ML offense design and the related challenges.

523. Investigations into ML, as other offense investigations, are led by the public prosecutor's office (PPO) and conducted by the criminal police under the PPO's direction (except for tax and some corruption-related offenses). Prosecutors make key decisions such as how to conclude the proceedings or filing motions in court, while the police carries out most of the investigative work independently. At the prosecutorial level, the Central PPO for Combating Economic Crime and Corruption (WKStA) specializes in the investigation and prosecution of economic crimes, including corruption, and ML cases related to these crimes, provided certain damage thresholds are exceeded. In all other cases, the general PPOs are in charge.

524. At police level, the unit responsible for investigating the predicate offense usually also investigates associated ML while specialized units can take over complex or lead in stand-alone ML cases. Predicate and associated ML investigations are conducted or at least commenced at local level, unless they fall within the competence of state or federal authorities. Local police authorities are required to report (orally or in writing) every ML case to the respective state Criminal Investigation Department (CID), which then assesses whether the case should be taken over due to its complexity.⁸³ The state CID in all nine federal states can investigate more complex cases and ML cases without a concrete link to a predicate offense. No specific thresholds are established for determining complex cases that would go to CIDs, but in general that would include cases involving higher damage, exceptional public impact, or requiring special expertise). The CIDs have specially trained experts (EB-04 units) who also serve as central contact points for AR (IO.8). In international cases and certain cases linked to organized crime, the CIS's unit that specializes in the predicate

⁸³ As required by the Criminal Services Guidelines.

offense investigation would also lead or support the ML investigation, while in cases without a concrete predicate offense, responsibility lies with the CIS unit responsible for fraud.

525. The institutional set-up translates in practice into ML being pursued as an adjunct to the predicate offense, as indicated by interviews with LEAs, cases, and ML judgments. Statistics on case reporting by the police to PPOs indicate that in 2020 approximately half of ML investigations were conducted by the local police, and this percentage has increased to two thirds from 2021 onwards. This indicates that such cases are less complex ML cases, as more complex cases would be dealt with CIDs or the CIS.

526. Overall, the number of ML investigations conducted across all LEAs is low. While the number of recorded ML offenses registered by the police has increased significantly over the period under review, they remain overall very low when considering the broad spectrum of registered offenses (Table 51).⁸⁴ The PPO statistics (Table 52), drawn on the basis of number of investigations initiated, show only a temporary and overall less pronounced increase in ML investigations in comparison with the police statistics.⁸⁵ On average, broadly similar to the annual average of the 2016 MER, there were just over 1,200 ML investigations per year (and more than 500,000 crimes, including 100,000 economic crimes on average per year). Overall, it is unclear if the country is detecting and investigating third-party and standalone ML sufficiently, which may also be linked to difficulties in proving the knowledge and intention elements of the ML offense and fully establishing the necessary elements of the predicate offense (section on Prosecuting and Convicting Different Types of ML Activity).

Table 51. Austria: Recorded Offenses (Acts) in Selected Categories, Including ML—Police Crime Statistics (PKS)					
	2020	2021	2022	2023	2024
Total number of recorded offenses	433,811	410,957	488,949	528,010	534,193
Economic crime (including fraudulent offenses (§§ 146 StGB seq.))	72,736	75,472	91,844	103,330	103,500
<i>of which Aggravated Fraud (§ 147 StGB) and Commercial Fraud (§ 148 StGB)</i>	<i>8,054</i>	<i>7,954</i>	<i>9,357</i>	<i>11,454</i>	<i>12,769</i>
Drug-related offenses under the Narcotic Substances Act	40,299	34,837	34,928	35,445	37,310

⁸⁴ It should be noted that not all offenses listed in the table qualify as ML predicate offenses under Art 165 StGB. ML predicates include aggravated fraud (Art. 147 StGB), commercial fraud (Art. 148 StGB), felonies under the Narcotic Substances Act (SMG), and burglary. Overall, the statistics provide a general indication of the overall crime statistics, and the number of recorded ML offenses.

⁸⁵ The difference in figures likely relate to different methodologies: the police counts the number of ML acts or offenses, whereas PPO statistics count the ML investigations opened.

Table 51. Austria: Recorded Offenses (Acts) in Selected Categories, Including ML—Police Crime Statistics (PKS) (Concluded)

<i>of which Felonies under the Narcotic Substances Act</i>	3,194	3,214	2,862	2,908	3,212
Burglary	6,420	4,691	6,064	7,647	6,930
Human Smuggling	1,771	3,570	9,186	4,704	1,571
Human trafficking and cross-border prostitution trafficking	55	48	56	37	43
Money Laundering	527	742	755	877	881
Note: The PKS record criminal offenses (acts), not individuals. Acts are counted separately if they relate to different legal provisions or distinct factual events. The same factual act may appear multiple times in the PKS if it fulfils several criminal offenses (e.g. theft and property damage). Therefore, the PKS may include duplicate counts when a single incident involves multiple offenses.					
Source: BMI					

Table 52. Austria: ML Investigations: Public Prosecutor's Office Statistics

Year	Investigations	Non-initiating of proceedings due to lack of initial suspicion (§ 35c StAG / § 197a StPO)	Total (incoming files)
2020	985	218	1,203
2021	1,304	222	1,526
2022	1,380	200	1,580
2023	1,309	276	1,585
2024	1,115	157	1,272
Total	6,093	1,073	7,166
Source: BMJ			

527. The limited data available indicates that most investigations are likely to involve low values. Prior to the legal amendment in 2021, resulting in the ML offense always constituting a felony, some statistics were collected on ML cases involving felonies or misdemeanors. Most cases pursued were misdemeanors which involved low amounts (less than EUR 50,000) and were not found to be committed by a member of a criminal organization.⁸⁶ The authorities could not clearly demonstrate the typical profile and level of complexity of these investigations, due to insufficient

⁸⁶ While ML has, since September 1, 2021, always constituted a felony due to the increase in the sentencing range under Art. 165 StGB, this was previously only the case when the offense involved a value exceeding EUR 50,000 or was committed as a member of a criminal organization. Such cases accounted for only a small share of suspected offenses.

data collected. Nonetheless, case studies demonstrate that there were some complex cases where different types of ML were being pursued (see below).

Table 53. Austria: ML Misdemeanors vs. Felonies (Acts) 2020–2021—PKS

	ML Misdemeanors	ML Felonies	Total
2020	430	97	527
2021	635	107	742
Source: Austrian authorities			

528. Data is also lacking on how ML offenses are being identified in practice, but interviews and cases show that many successful ML investigations result from investigations into predicate offenses. Interviews and cases also confirmed that most ML investigations benefit from FIU disseminations related either to predicate offenses or ML, particularly in fraud cases (IO.6). The country was able to present only a negligible number of cases in which ML investigations were triggered by cash controls at the border, which is relevant as per the risk and context. The authorities did not demonstrate sufficient detection and investigation of third-party and stand-alone ML.

529. At the same time, authorities have demonstrated in a few instances their capability and expertise to investigate complex international criminal cases involving sophisticated ML structures. In those, they used a range of investigative tools to trace financial flows and gather the necessary evidence. Overall, LEAs have impressive capabilities for detecting and combating fraud. The authorities live screen all newly registered fraud cases to immediately implement measures when patterns are detected. Cases below illustrate outstanding investigative work, where ML investigations resulted from predicate offense investigations. Those capabilities for detecting and combating fraud suggest that Austria could have the expertise to achieve success in ML enforcement, if it was appropriately prioritized and resourced. Additional human resources, training and guidance, and investigative tools may be required to substantially increase the focus on complex ML cases in a more systemic way, as well as a policy priority.

Box 10. WOLF of SOFIA Case

In 2017, Austrian LEAs investigated numerous victim complaints about fraudulent online trading platforms, establishing an investigation team involving the CID Lower Austria and CIS Austria.

Investigations revealed a large-scale international investment fraud scheme operating through fake trading platforms run by call centers in Bulgaria and Serbia. Employees targeted German-speaking investors, encouraging deposits for fake investment opportunities with simulated profits. Proceeds—often over EUR 5,000 per investor and exceeding EUR 300,000 in total—were laundered through a network of offshore companies using fake invoices and sham contracts. Accounting records were deliberately manipulated to conceal the illicit financial flows.

A JIT with Austrian and German authorities uncovered an organized criminal network of more than 500 individuals. Nine coordinated action days included searches at businesses (including four call centers) and residences, which led to the seizure of physical and digital evidence that was analyzed with specialized

Box 10. WOLF of SOFIA Case (Concluded)

software. Investigators analyzed bank account flows, conducted witness interviews, and reconstructed communications. These efforts exposed the offshore network, associated financial flows, and the use of front persons and fraudulent documents.

On September 1, 2020, the first offender was convicted by the Vienna Regional Criminal Court for aggravated commercial fraud and ML committed between September 2015 and February 2019 and was sentenced to four years' imprisonment.

Source: Judgment of the Regional Criminal Court (OLG) of Vienna of September 1, 2020, case number 122 HV 4/20g

Box 11. CEO Fraud Case

Starting in 2015, international investigative authorities—including CID Lower Austria, CIS Austria, and prosecutors—investigated a criminal organization that defrauded companies worldwide of millions through CEO fraud. Using fake emails and fabricated takeovers, perpetrators directed the transfer of large sums to shell companies accounts. In Austria, the damage exceeded EUR 58 million.

D.S. was accused of establishing shell companies using forged documents, opening bank accounts, and passing the details of which to accomplices to facilitate fraudulent transfers. He also provided translations, expertise, and established contact with banks. D.S. operated a forgery workshop in Israel, equipped with copy machines, printers, stamps, and seals to produce fake IDs, notarial deeds, and commercial register entries.

Investigations involved international cooperation with Israeli and French authorities, MLA, and digital evidence. Austrian authorities reconstructed the organizational roles—from IT technicians and phone scammers to money launderers. A police-created graphic chart was used in court to illustrate the documents, the companies, and the related fraud cases.

D.S.'s central role was proven through witness testimony, document analysis from his office in Israel (searched in February 2019 at Austria's request), and his connections to over 59 shell companies in Europe, Asia, and Canada. Voice-matching experts linked the perpetrator voice to calls in Austria and Germany. Financial flows were reconstructed using account data obtained through MLA from Slovakia, Latvia, Canada, Poland, Bulgaria, France, and Israel, in addition to translated messages from seized devices. On March 19, 2025, Austria's Supreme Court (OGH) confirmed D.S.'s seven-year prison sentence (imposed May 15, 2024 by Graz Regional Criminal Court) for aggravated commercial fraud and criminal organization membership, after a 2022 judgment was partially overturned.

530. The absence of prioritization is also reflected by the lack of targeted AML investigative strategies or guidance documents focused on specific ML trends or methods for LEAs and PPOs. As ML investigation closely follows predicate offense investigation, often conducted at local level, guidance and strategies could assist LEAs in better detecting ML offenses in their investigative work.

531. LEAs use investigative tools and information sources effectively, but face limitations regarding financial investigative tools including for monitoring encrypted communications of suspects of committing ML or predicate offenses. The authorities use their extensive databases and registers, in particular the central bank account and beneficial ownership registers, even though further linking some law enforcement/administrative databases would be beneficial. However, remote real-time surveillance of encrypted end-to-end communications is not allowed in Austria,

thereby limiting the LEAs' ability to pursue some ML investigations further. The 2023 AML/CFT strategy⁸⁷ also recommended the acquisition of financial investigation tools to perform automated transaction flow analyses to handle the increasing volumes of data. This was not followed through.

532. Austria did not demonstrate that it is identifying and pursuing ML investigations fully in line with its risk profile. While ML cases related to fraud are pursued, ML related to drug trafficking, tax offenses, and corruption, which are relevant in the country's risk and context, are not pursued in a significant way. No examples were brought on the country's ability to use intelligence to dismantle professional ML networks outside the context of predicate offense investigations.

533. Statistical data on ML investigations (e.g. on triggers of investigations, types of predicate offenses, ML methods, complexity of cases) is lacking at all stages of criminal proceedings (investigations, prosecutions, convictions). Austria neither collects this data when recording cases nor compiles it retrospectively through a targeted analysis of completed cases. This impacts the country's ability of monitoring the extent and type of ML activity that is being investigated and prosecuted, identify trends, and better allocate resources. The police case management system, used for the PKS, provides an indication of the likely predicate offenses involved in an ML case,⁸⁸ and Austria is currently evaluating mechanisms for improving statistical collection going forward.

534. Roughly half of the recorded cases involving ML also included fraud offenses during the period under review. Drug trafficking, theft, and forgery each appeared in about 10 percent of ML-recorded offenses. Fraud is by far the most frequently observed predicate in ML investigations, and that has also been evidenced with cases and court judgments. Very few cases covered other predicate offenses, such as drug offenses, even if the authorities reported that significant cash transports have repeatedly been detected in connection to drug cases. However, these findings have rarely led to successful ML investigations. Overall, authorities face difficulties to evidence the knowledge and intent elements of the ML offense (section on Prosecuting and Convicting Different Types of ML Activity).

535. Austria has not provided evidence that ML related to tax predicates are pursued, while tax crimes are relevant considering its risk profile. Tax offenses are investigated by the fiscal criminal authorities, but the associated ML offenses are investigated by the police (CIS or CID), under the PPO's direction. No statistical data or case examples were provided, but the authorities confirmed that such proceedings are rare—even though, according to the NRA 2025, tax crimes are

⁸⁷Federal Ministry of Finance: Austrian Strategy against Money Laundering and Terrorist Financing (2023), p.34: https://www.bmf.gv.at/dam/jcr:c4ba1dd0-718d-4d95-a055-a015409e7ba9/Nationale%20Strategie%20zur%20Verhinderung%20von%20Geldw%C3%A4scherei%20und%20Terrorismusfinanzierung_2023.pdf

⁸⁸ The system records an ML offense together with the potential predicate offenses under a same file number, but other criminal offenses identified during an investigation are also recorded under that file, making a clear assessment of ML predicates not possible. The authorities indicate that statistical data will soon be improved through the introduction of an additional field for linking the specific predicate offense to the ML offense.

important predicates, ranked just after fraud and forgery offenses. According to the authorities, this may be due to the fact that a very narrow range of tax offenses qualify as ML predicates (i.e., only the ones that result in a tax refund rather than a mere reduction of the tax burden, and only if the amount evaded is at least EUR 150,000 or EUR 75,000 in the case of customs offenses—c. 3.2 and c.3.4). Those limitations significantly impact Austria’s ability to pursue ML offenses in particular in relation to tax crimes.

536. The authorities have been able to identify and investigate ML cases in relation to corruption offenses in a limited number of cases, not fully in line with risk and context.

Corruption-related offenses are generally investigated by the BAK, which is also responsible for associated ML offense investigation, unless the case also involve other offenses which carry a maximum sentence higher than the one for corruption/ML-related offenses. In such cases, the BAK continues to be responsible for investigating most types of corruption offenses, whereas all other offenses, including ML, are investigated by LEAs (see above). Over the period, BAK has conducted 32 investigations involving links between corruption and ML, averaging a bit over 6 ML-related investigations per year. It is not known how many ML cases related to corruption were prosecuted, if any

Prosecuting and Convicting Different Types of ML Activity

537. The authorities have the capacity to prosecute and convict self-laundering but face significant challenges in pursuing third-party ML or stand-alone cases. Overall, Austria faces important difficulties in prosecuting ML separately from a predicate offense. Austria was able to demonstrate, based on a selection of judgments, that it has prosecuted and convicted different types of ML cases (self-laundering, stand-alone ML, and third-party ML), including complex ML networks. However, different types of ML are not being pursued and prosecuted in a systematic manner due to issues in detecting and investigating third-party and stand-alone ML (section on ML Activity Identified and Investigated), as well as the high evidentiary standard of proof required for prosecution and conviction of the ML offense.

538. The number of ML convictions increased significantly in 2023 and 2024 but remains low overall considering Austria’s risk profile. Over the past 5 years, there were on annual average 104 ML convictions. The acquittal rate stood at approximately 23 percent, which corresponds quite closely to the overall acquittal rate for all criminal judgments in Austria in 2023. To explain the increase in convictions, the authorities alluded to the positive effects of the A-FIU reform and the increased quality of disseminations and the expansion of ML predicate offenses under Art 165 StGB.

Table 54. Austria: Number of Convictions Including ML

2020	2021	2022	2023	2024
92	83	78	116	153
Source: Statistik Austria (Conviction statistics— all offenses)				

539. Data is also lacking on the profile of ML cases that triggered prosecutions and/or convictions, but cases reviewed indicate that they follow the same trend of ML investigations and are mostly related to fraud. From a review of the 18 most recent high court judgements, the vast majority of prosecutions and convictions related to fraud cases, followed by some drug trafficking and serious theft cases. There is also no evidence that Austria is prioritizing high-value or complex ML cases for prosecution.

540. Prosecutors continue to face several significant challenges to evidence the knowledge and intent elements of the ML offense which also affect the pursuing of investigation by LEAs (cases in Boxes 12 and 13 illustrate some of these challenges). In addition, the requirement to sufficiently individualize a specific predicate offense constitutes an insurmountable hurdle in practice. In particular, prosecutors must:

- Evidence that the predicate offense was committed in a manner fulfilling all legal elements and was unlawful. This means that prosecutors must establish the details of the predicate offense, e.g., that the conduct constituted a designated offense, who the perpetrator was, and which types of assets originated from the predicate offense. Although in line with R.3 (c.3.5), no prior—separate—conviction for the predicate offense is required, in practice, the very high standard of proof remains comparable to that of obtaining a conviction for the predicate offense. This significantly hinders the prosecution of the ML offense: even where the court is convinced of the unlawful origin of an asset, an ML conviction may fail due to an insufficiently established predicate offense.
- Evidence that the offender's intention to conceal or disguise the illegal origin of the asset or to assist another person involved in the criminal activity to evade the legal consequences of their act. As per the EXW case below, if the offender just holds criminal assets, without the intent to conceal or disguise its illegal origin, there are no sufficient grounds for conviction (Art. 165, para 1 StGB); or
- Evidence that the offender knew at the time of acquisition of the assets that they are criminal proceeds (Art. 165, para 2 StGB). Prosecutors must prove not only the offender's knowledge of the illicit origin of the assets at the time of acquisition but also that offender understood the specific predicate offense committed in its essential terms; or
- Evidence that the criminal property has integrated the property of the offender. A circumstance that often precludes the prosecution of ML is that prosecutors must prove not only that the offender committed the offense, but the criminal property derived from the offense became part of his/her own assets before being laundered by the third party.

541. In addition, a judgment of the Higher Regional Court of Graz in 2024 required the Prosecutor's Office Graz to evidence that a specific asset or part of an asset constituted proceeds where the offender held assets from both licit and illicit activity—for instance, in the

same bank account (the co-mingling challenges). According to the authorities, prosecutors working in the other Prosecutor's Offices in Austria were not affected by this jurisprudence.⁸⁹

Box 12. EXW Case

The Regional Court of Klagenfurt tried a case of particular significance of 11 defendants over 60 hearing days for a cryptocurrency investment fraud involving the EXW platform. Approximately 40,000 victims were allegedly defrauded of at least EUR 17.6 million. The platform promised over 200 percent annual returns through its EXW token, using lavish promotional events to attract investors. Funds were paid into changing foreign accounts, converted to cryptocurrency, and used to finance defendants' lifestyles.

Verdict (October 23, 2024): Several defendants were convicted of serious commercial fraud and criminal organization participation, receiving 18 months to 5 years imprisonment. However, five defendants accused of ML were acquitted because it could not be established that they had the necessary knowledge elements. Where deposits, withdrawals, and onward transfers of tainted funds had occurred, these were considered standard business transactions which did not constitute concealment (or "disguising" under s. 165(1), StGB), and that there was insufficient evidence that the defendants acted with (at least conditional) intent to conceal or disguise the illegal origin of the assets, or to assist another person involved in such criminal activity.

Where a defendant had received cash, the court considered that it could not be evidenced that the defendant knew at the time of receipt that the cash originated from a criminal activity of another person. The offender would need to understand, in a layperson's terms, the elements of the offense in their social meaning, although knowledge of the details of the predicate offense or its legal classification, as well as the identity of the perpetrator, was not required.

Regarding a specific transport of EUR 215,000 in cash from Italy (South Tyrol) to Austria, the court also based its acquittal on the fact that it remained unclear whether the funds were actually customer money connected to EXW, and therefore the money could not be considered as an object of the ML offense.

Source: FIU Money Laundering Report 2023, p. 52.

Box 13. Fraud and Money Laundering Case (2021–2024)

Between November–December 2021, unknown fraudsters convinced victims in Austria and other EU countries to pay fake transaction fees or taxes for fictitious inheritances or loans. In connection with these unknown offenders, the defendant opened a bank account to receive victim payments, then quickly transferred the funds (totaling EUR 8,000) to foreign accounts.

First Instance Verdict (September 27, 2023): The court convicted the defendant of ML for receiving and transferring EUR 8,000 derived from aggravated and professional fraud.

Appeal Outcome (June 5, 2024): The Higher Regional Court of Graz overturned the conviction and ordered a retrial. The appellate court found the first instance court failed to establish:

⁸⁹ Austria reported that a recent Supreme Court decision (case number 14 Os 137/22, decision of December 1, 2025) clarified that an economic assessment based on the principle of free judicial evaluation of evidence should be considered for resolving comingling challenges. The decision was yet to be published as of December 2025.

Box 13. Fraud and Money Laundering Case (2021–2024) (Concluded) • Whether individual fraud acts exceeded the EUR 5,000 threshold (Art. 147(2) StGB) or were committed professionally, thus qualifying as money laundering predicate offenses (Art. 165 StGB); • Whether the assets had actually been acquired by the predicate offense perpetrators before the alleged laundering actions occurred.
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542. Those challenges also limit Austria's ability to pursue significantly some third-party ML cases, including “money mules” or “cash couriers” which are very common in the country's context and relevant to Austria's risk as a transit country. According to the 2021 and 2024 NRAs, “money mule” is a ML method commonly used in Austria. The share of money mules—already found to be very high in an academic analysis of all ML cases in 2020—was recently described by authorities as “alarming.” Often these cases will involve a large number of individuals and, in such cases, prosecutors are unable to prove that each accused not only knew that the asset was not obtained legally but also understood the predicate offense in all its essential terms. The impossibility to conduct remote real-time surveillance of encrypted end-to-end communications (section on ML Activity Identified and Investigated), also limits the authorities' ability to pursue cases even further.

543. The 2016 MER recommended Austria to ensure that the process of appealing an indictment is properly expedited in order to effectively combat crime and in particular ML and TF. During the current review period, in only 34 cases ML indictments triggered appeals by accusers and the average time for a decision on appeals by the Superior Regional Court was 54 days. Overall, the process for appealing an indictment did not trigger undue delays during the current review period.

Effectiveness, Proportionality and Dissuasiveness of Sanctions

544. Austria imposes a range of sanctions against natural persons convicted of ML, and those sanctions, while broadly proportionate to other criminal sanctions applied in Austria, are not sufficiently effective and dissuasive. In addition, there are no cases of sanctions being applied against a legal person for ML. The 2021 legal reform increased the sentencing range resulting in the basic ML offense carrying a prison sentence of six months to five years, instead of a maximum of three years' imprisonment previously. A fine of up to 720 daily rates⁹⁰ (up to EUR 3,600,000) may be imposed instead of imprisonment of up to one year, provided that a custodial sentence is not deemed necessary to prevent the offender from committing further criminal acts. The sentence increases to one to ten years if the criminal proceeds exceed EUR 50,000 or if the offense was committed by a member of a criminal organization.

545. While Austria collects data on the length of sentences imposed, this information does not in itself allow for a conclusive assessment of ML component's impact on the overall

⁹⁰ Daily rate amounts vary from EUR 4 to EUR 5,000 depending on the financial capacity of the convicted person (Art. 19 para 2 StGB).

sentencing. If a person is sentenced for committing more than one criminal offenses through a single or multiple acts, a single sentence is generally imposed, based on the offense that by law carries the highest penalty.⁹¹ As a result, when a person is convicted of both ML and other offenses in a single judgment, it is impossible to determine the portion of the sentence attributable solely to ML. This would only be possible if ML were the sole offense being sentenced. However, concurrent convictions for multiple offenses are very common. Where ML was the primary or sole offense in a conviction, very few unconditional prison sentences were issued. For instance, in 2023, only five cases involved prison sentences of more than three years, and in 2024, there were only eight of such cases. There were no convictions of LPs and very few fines were applied

Table 55. Austria: ML as Primary or Sole Offense: Type of Penalty and Annual Share (Number of Convicted Persons)					
	2020	2021	2022	2023	2024
Fine	4 (6%)	4 (7%)	2 (4%)	0	0
Conditional prison sentence up to one month	0	0	0	0	0
Conditional prison sentence over one to three months	7 (10%)	4 (7%)	1 (2%)	2 (3%)	0
Conditional prison sentence over three to six months	9 (13%)	6 (11%)	7 (15%)	2 (3%)	7 (8%)
Conditional prison sentence over 6 to 12 months (partly with additional fine)	11 (16%)	11 (20%)	14 (29%)	12 (18%)	20 (22%)
Conditional prison sentence over one to three years (partly with additional fine)	6 (9%)	11 (20%)	6 (13%)	14 (21%)	15 (17%)
Partly conditional: 6–12 months total; 1–2 months unconditional	2 (3%)	1 (2%)	0	0	2 (2%)
Partly conditional: 6–12 months total; 2–4 months unconditional	3 (4%)	0	0	2 (3%)	4 (4%)
Partly conditional: 12–24 months total; 1–4 months unconditional	2 (3%)	1 (2%)	3 (6%)	5 (8%)	2 (2%)
Partly conditional: 12–24 months total; 4–8 months unconditional	7 (10%)	7 (13%)	4 (8%)	11 (17%)	9 (10%)
Partly conditional: 24–36 months total; 1–4 months unconditional	0	0	0	0	0
Partly conditional: 24–36 months total; 4–8 months unconditional	0	0	0	1 (2%)	0

⁹¹ Art. 28(1) StGB.

Table 55. Austria: ML as Primary or Sole Offense: Type of Penalty and Annual Share (Number of Convicted Persons) (Concluded)					
Partly conditional: 24–36 months total; 8–12 months unconditional	1 (1%)	1 (2%)	4 (8%)	2 (3%)	1 (1%)
Partly conditional: not classifiable	0	0	0	0	1 (1%)
Unconditional prison sentence up to one month	1 (1%)	0	0	0	0
Unconditional prison sentence over one to three months	1 (1%)	0	0	0	0
Unconditional prison sentence over three to six months	1 (1%)	0	0	0	1 (1%)
Unconditional prison sentence over one to three years	6 (9%)	6 (11%)	7 (15%)	10 (15%)	16 (18%)
Unconditional prison sentence over three to five years	5 (7%)	2 (4%)	0	4 (6%)	6 (7%)
Unconditional prison sentence over five years	0	0	0	1 (2%)	2 (2%)
Total: ML as primary offense (cases)	67	54	48	66	89
Total: all ML convictions (cases)	92	83	78	116	153
Note: "The data generally refer to the number of individuals who were subject to final convictions (rather than the number of cases, which may involve multiple persons being convicted together). Since some individuals might be convicted more than once within a reporting year or may receive an additional conviction at a later date, the number of convictions may exceed the number of distinct convicted persons. Source: Statistik Austria					

546. Sentences imposed in recent years have generally become more severe, which is likely due to the increase in the statutory penalty range. Cases also evidence that, in most instances, courts tend to impose sentences in the lower third of the applicable sentencing range, which may not result in effective and dissuasive sentences.

Box 14. Case Examples: Sentences for ML
1. Cryptocurrency Laundering: The accused used EUR 205,062 from aggravated fraud to purchase cryptocurrencies (Bitcoin), which were transferred to an unknown offender. On September 20, 2024, the Vienna Regional Criminal Court sentenced her to three years imprisonment for ML under Art. 165(4) StGB. On appeal (May 15, 2025), the Vienna Higher Regional Court upheld the sentence but conditionally suspended two years with three-year probation. The court found the sentence appropriate given it was less than one-third of the maximum (1–10 years range). Mitigating factors: no personal enrichment. Aggravating factors: prior similar conviction, rapid recidivism, offense during probation, amount exceeded EUR 50,000 threshold by four times.^{1/}

Box 14. Case Examples: Sentences for ML (Concluded)

2. Drug Money Handling. The accused received cash of unknown value from drug trafficking on several occasions between May and September 2022. The Wiener Neustadt Regional Court assumed in her favor that the amount was below EUR 50,000 and sentenced her for ML under §165(2) StGB to ten months of imprisonment, conditionally suspended with a three-year probation period. The Vienna Higher Regional Court rejected her appeal, noting the sentence was only slightly above the statutory minimum (six months–five years range).^{2/}

3. Vehicle Fraud: In November–December 2022, the defendant brought fraud-derived vehicles to Austria, fictitiously transferred them to an LLC, and hid them in a storage facility rented in the name of the company. He was convicted of ML under §165(4) StGB and sentenced to three years unconditional imprisonment, confirmed by Linz Higher Regional Court (August 7, 2024). Mitigating factors: clean record, partial confession, substantial compensation (nine vehicles recovered). Aggravating factors: repeat offending, multiple aggravating elements, damages 17 times the EUR 50,000 threshold, criminal tourism, criminal organization membership, central role as managing director, personal involvement in cross-border transport.

^{1/} OLG Vienna, Decision of May 15 2025, Case Number 18 Bs 77/25t.

^{2/} OLG Vienna, Decision of January 13, 2025, Case number 30 Bs 155/24z.

547. The generally lenient sentences for ML are nevertheless proportionate with the general sentencing practices in Austria. This was confirmed through discussions with prosecutors and judges and also shown by a comparison with statistical data for other crimes and case examples. For instance, the level of sentences for aggravated commercial fraud (Art.148 StGB) closely mirrors to that for ML. The EXW case—one of the largest and most serious fraud cases in Austria in recent years, involving around 40,000 victims and damages of at least EUR 17.6 million—was, as noted, punished with a maximum of five years of imprisonment. The CEO fraud case (section on ML Activity Identified and Investigated), despite the significant damage and the scale of the criminal network involved, also resulted in a prison sentence of only seven years for aggravated commercial fraud and membership in a criminal organization.

Table 56. Austria: Aggravated (Commercial) Fraud (§ 148 StGB): Distribution of Selected Types of Penalties (Most Frequent and Most Severe)

	2020	2021	2022	2023	2024
Conditional prison sentence over 6 to 12 months	25%	34%	36%	33%	24%
Conditional prison sentence over one to three years	7%	19%	13%	13%	16%
Partly conditional: 12–24 months total; 4–8 months unconditional	15%	16%	18%	23%	23%
Unconditional prison sentence over one to three years	20%	26%	30%	25%	27%
Unconditional prison sentence over three to five years	1%	4%	2%	5%	2%
Unconditional prison sentence over five years	0%	0%	0%	<1%	0%
Source: Statistik Austria					

Use of Alternative Measures

548. When it is not possible to secure a conviction for ML, Austria pursues alternative criminal measures, but data is lacking to determine how often this is achieved in practice. The most important measures consist, for instance, of prosecuting the money launderer as the main offender or at least as a participant in the commission of the predicate offense, but this is generally limited to fraud cases (e.g. conviction of money mules for participation in fraud). These measures are consistently pursued due to legal requirements—regardless of whether a conviction for ML can be obtained or not. According to the jurisprudence, the participation (e.g. particularly in a fraud offense) is possible even after the formal completion of the offense by the principal offender, which opens up further possibilities for sanctioning in cases involving money mules. However, there are no statistics to evaluate how often this has occurred. In addition, confiscating proceeds of crime or property of corresponding value is also pursued, even if overall results are low (IO.8).

ASSET RECOVERY

The relevant Immediate Outcome considered and assessed in this chapter is IO.8. The Recommendations relevant for the assessment of effectiveness under this chapter are R. 1, 4, 32 and elements of R. 15, 30, 31, 37, 38 and 40.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Austria prioritizes AR as a policy objective to some extent. It has enhanced its legal framework with comprehensive AR mechanisms, including extended confiscation and non-conviction-based confiscation (NCBC). The country has established necessary structures and cooperation and conducts reviews on its legal and regulatory system from time to time. However, there is no comprehensive AR strategy, and the overall effectiveness is impacted by the insufficient number of investigators and prosecutors, as well as a lack of guidance and training in available AR tools.
- b. LEAs routinely conduct parallel financial investigations and have required capabilities and tools to do so, especially in cyberfraud cases. Asset tracing is not always implemented consistently, including to identify foreign criminal assets transiting through Austria.
- c. Austria has applied freezing and seizure measures to a broad range of assets, including in complex cases, but overall asset seizure values are moderate considering Austria's risk profile. The breakdown of seizures appears to be broadly in line with the main ML and TF threats, except for corruption. Efforts to improve the detection and prosecution of fraud are generating some good results in seizures, particularly in cases involving social fraud. Challenges remain though regarding the seizing of bank accounts and real estate, as some courts still require the demonstration that there is a specific risk that the asset would be

otherwise dispersed, even if the law no longer contains such a requirement. Austria has not used FIU suspension powers and relied on seizures by prosecutors or LEAs to some extent.

- d. Asset management tools are being used only to a limited extent. The country did not demonstrate that it routinely applies these measures beyond mere storage, as active management such as value preservation or pre-confiscation sales are rarely used.
- e. Austria implements confiscation only to a limited extent and has used its NCBC regime only in very few cases, without using its NCBC mechanism introduced in 2021 which provides for reduced evidentiary requirements. Courts have occasionally confiscated property of corresponding value, but the application of extended confiscation is rare. Confiscated proceeds have increased but remain low in volume.
- f. Cases show that Austria returns seized assets to victims during proceedings (i.e., without the need of waiting for a final confiscation order in a conviction ruling). However, Austria does not maintain information on the value of returned assets or how often restitution is taking place to allow for an assessment of these measures. The moderate level of seizures indicates that the amount of returned assets is also likely to be modest at best. Enforcement of confiscation orders is insufficient, if the first collection attempt is unsuccessful. There are critical challenges in the enforcement of confiscation especially when assets—even if located in Austria—are held through offshore structures.
- g. Austria has established a cash declaration system at its external EU borders and a cash disclosure system at internal EU borders. Despite controls occasionally revealing large cash transports in line with the country's risk profile, those have led to criminal proceedings only very rarely—particularly for ML (IO.7). Austria has yet to implement a more dissuasive system for the confiscation of undeclared or falsely declared cross-border currency movements as recommended in the 2016 MER.

Key Recommended Actions (KRAs)

- a. Austria should ensure that relevant authorities pursue confiscation through the mechanisms of extended confiscation, NCBC, and confiscation of property of corresponding value. This should include providing extensive guidance and intensifying training of authorities on applying extended confiscation and NCBC. Austria should examine the effectiveness of these mechanisms, including through collection of quantitative (including number of applications to the courts and court orders) and qualitative data (including analysis of cases) on the use of these mechanisms to allow an evaluation of their effectiveness.
- b. Austria should take measures to ensure that seizure and freezing measures (including of banking and real estate assets) are used more effectively by law enforcement and prosecutors, resulting in a significant increase in the number of seizures, particularly in the area of major proceeds-generating offenses and in line with its risk profile. This should include clarifying that such measures can be achieved without the need of proving that there

is a specific risk that the assets will disperse without such an order. Austria should provide adequate guidance or procedures to prosecutors, to ensure that pursuing proceeds of crime is systematic, and collect statistics on the use of seizure and freezing measures.

- c. Austria should enhance controls on cross-border cash and BNI movements and, in particular, extend its efforts to include internal EU borders and adjacent areas, in line with risk, and ensure a more dissuasive system for seizing and confiscating falsely/not declared or disclosed cross-border movements of currency/BNI. The country should, in particular, consider applying NCBC to cross-border cash cases where appropriate.

Other Recommended Actions

- a. Austria should ensure adequate human resources at ARO and the prosecutors' office to identify/trace assets and take AR measures. The country should also identify operational objectives and key performance indicators to measure the results of confiscation and AR mechanisms.
- b. Austria should make effective use of the FIU powers to suspend a transaction suspected of being related to ML, a predicate offense, or TF.
- c. Austria should improve the collection of statistical data across all steps of AR to better monitor the effectiveness of its system.

Overall Conclusions on IO.8

549. Austria has put in place a largely solid legal framework for AR and specialized structures and tools for asset identification and tracing. However, these positive developments are undermined by the absence of a comprehensive AR strategy, some inconsistencies in the interpretation and application of measures, limited monitoring, insufficient resourcing at police and PPO levels, and very modest use of key instruments like extended confiscation and NCBC. There is also a lack of training and expertise at judicial level. Those shortcomings require major improvements.

550. Overall asset seizure values are moderate considering Austria's risk profile. Challenges remain regarding the seizing of bank accounts and real estate and asset management measures beyond storage are not used. Under-resourcing at PPO and other AR authorities, the lack of expertise at the judicial level, also negatively impact the country's effectiveness.

551. Final confiscated amounts are low considering Austria's risk and context. Measures such as NCBC and extended confiscation have not been sufficiently used where circumstances would have warranted their use. Cases suggest that in practice return of assets to victims can occur prior to the issuance of a final confiscation order, which lowers the number of potential confiscation cases, but no data is kept on the amount of assets restituted. Enforcement of confiscation orders is insufficient, if the first collection attempt is unsuccessful.

552. Austria has limited measures in place to detect and prevent cross-border movements of currency and BNIs with a focus on its external EU borders but does not maintain records on the amounts of cash and BNI seized or confiscated, and there is no evidence that this led regularly to criminal proceedings. Measures, strategies, or objectives aimed at detecting cash and BNI at the EU internal borders are missing, despite Austria's position as a cash-intensive eurozone economy and transit country, and the associated cash smuggling risks.

553. Austria is rated as having a Moderate level of effectiveness for IO.8.

B. Immediate Outcome 8

Prioritization of Asset Recovery as a Policy Objective and Using Effective Agency Structures and Co-operation Frameworks

Prioritizing Asset Recovery as a Policy Objective

554. Austria prioritizes AR as a policy objective to some extent and a comprehensive strategy that covers all stages of the AR process, and a corresponding holistic and systematic monitoring framework, are still lacking. The country has put in place a relatively sound legal framework that allows it to pursue AR to a large extent; however, practical guidance is still missing in some cases to allow a more effective use of the framework (see below)—and unbeknownst to the BMJ some of the newer legal provisions had been inconsistently applied by the courts. Strengthening AR is also one of the 2023 AML/CFT Strategy objectives, but the measures identified are still to be implemented in a significant way.

555. Austria's legal framework largely allows it to pursue AR, including conviction and NCBC and extended confiscation, as well as provisional measures (R.4). The country has strengthened its legal framework from time to time. If the investigation reveals that the legal prerequisites for confiscation are likely to be met, prosecutors are required to apply to the court for confiscation.

556. Austria prioritizes AR as an operational objective to some extent, mostly through the provision of guidance to LEAs and prosecutors on the use of the AR regime. To support AR at operational level, the BMJ and BMI issued guidelines that provide prosecutors and police support and guidance on legal interpretation and practical advice on implementation of different AR instruments. Those emphasize that financial investigations with the aim of AR are mandatory and should be carried out as early as possible.

557. Strengthening asset protection and AR is one of the 2023 ML/CFT Strategy objectives, and that Strategy is still to be implemented in a significant way. Six measures have been identified that range from increasing training and tools for LEAs, human resources of the ARO, cooperation, and knowledge exchange with national and international partners, to the creation of an asset management office, development of statistical tools at police and judiciary levels, and implementation of EU Directives. There has been some progress in implementing some of these

measures, such as the allocation of additional tools and a small staff increase to ARO, as well as continued cooperation at national and international levels. However, no progress has been achieved in relation to crucial measures such as asset management and statistical tools. ARO resources remain largely insufficient, so as other resources at LEA and prosecutor's level (see below).

Periodic Review of Asset Recovery Regime

558. Austria reviews and adjusts its AR legal and regulatory framework from time to time, and has strengthened its AR measures (introduction of NCBC and FIU suspension powers) since the 2016 MER. Those are important measures but have not yet generated results or led to a significant change in operational policies.

559. Operational guidance documents are generally updated from time to time but the guidelines for prosecutors have not been since 2020. They do not cover significant and most recent components of the updated AR regime, including NCBC introduced in 2021 and the 2024 amendments on seizure of VAs and victim compensation. Major legal amendments, such as the introduction of the NCBC, are accompanied by introductory decrees; however, these may not always provide a sufficient basis for practical case handling (e.g., possible application examples, best practices). Accompanying information sessions also do not appear to provide sufficient assistance for practical case handling, as became evident from discussions with practitioners. Those discussions showed that the new NCBC instrument was virtually unknown and had not been applied in practice, and that, with regard to the amendments on seizure of VAs, practitioners pointed to continued uncertainty about available options.

560. Review of the AR is mostly reactive and appears to be driven by external factors (adverse court decisions, international obligations) rather than effectiveness. For example, while LEAs stated that they had long pointed to legal uncertainty surrounding the seizure of VAs, legislative changes were only introduced after a Supreme Court decision made it inevitable.⁹² Notwithstanding these legal amendments, the authorities attributed a decline in 2025 of the number of VAs seizures to ongoing uncertainty among investigators regarding the legal permissibility of such measures.

561. Overall, a comprehensive strategy that covers all stages of the AR process and a corresponding holistic and systematic monitoring framework are still lacking. Austria maintains very limited information to evaluate the results achieved in AR. As highlighted in the 2023 Strategy, a joint statistical system covering data from the police, prosecutors, and courts would assist with the monitoring of seized and confiscated assets and better inform the development of policy and legislation. Such work is yet to be carried out.

⁹² Supreme Court (OGH) of March 28, 2023, case number 14 Os 137/22m.

Effective Agency Structures and Co-operation Frameworks

562. Austria has established institutional structures that allow for good intra and inter-agency co-operation. At police level, those resemble those in ML investigations (IO.7). Financial investigations are generally carried out by units responsible for investigating the predicate offense. In more complex cases (e.g. with international elements, complex asset structures), these units may rely on specialized AR groups at the state level, which are responsible for investigating economic crime offenses, including ML (state CIDs' Investigation Units 04 (EB-04), IO.7). These CID groups support the financial investigations - e.g. through advice or by taking over certain tasks such as searches, seizures, or communication with prosecution - or, by mutual agreement, they can take over the investigations entirely. In many states, there is also a pool of financial investigators at local level appropriately trained and familiar with AR procedures.

563. At the federal police level, the ARO handles MLA or other international co-operation requests whose primary purpose is related to AR including seizures and supports complex investigations. ARO is the central contact point for coordinating incoming and outgoing MLA requests in AR matters, supporting the execution of foreign requests by the CIDs or carrying them out directly. The ARO also offers advice to police units and may, at its discretion, support complex investigations through individual operational measures, coordinate the involvement of several police units, or take over the investigations entirely.⁹³ ARO also enforces seizing or freezing measures in instances cases where A-FIU suspension powers would normally apply (instead of A-FIU performing the suspension of transactions directly).

564. The number of investigators supporting AR at local and state levels is insufficient, considering the overall number of criminal investigations (IO.7). There are approximately 150 investigators at local levels, in addition to 110 investigators at state levels dealing with economic crimes, including ML, and AR measures. Austria does not maintain statistics on the number of financial investigations carried out annually but they are likely to be many considering that the police recorded around 100,000 economic criminal acts on average over the past 3 years (IO.7). Between 2020 and 2024, there was no substantial increase in staff.

565. The personnel resources at the ARO also remain insufficient despite some limited increase recently. While the 2016 MER recommending Austria to increase ARO's resources, the Court of Audit in 2019/2020 and the AML/CFT Strategy in 2023 concluded that ARO staffing remained insufficient. Resources were increased from three to four staff to six investigators between 2020 and 2024, and the authorities plan to increase ARO staffing further, but no action has been taken nor has a precise timeline been adopted.

566. Most PPOs lack resources to deal with AR effectively, and the newer specialized AR units have not yet produced effective results. In general, the prosecutor leading the investigation into an offense is also responsible for the financial investigations and AR measures. If higher value

⁹³ Ministry of Justice: Guidelines on AR 2020, p.56-57.

assets are involved,⁹⁴ prosecutors must coordinate with the specialized AR units that were established in all major PPOs. The specialized AR unit can issue binding instructions on how to proceed or may take over the AR aspects of the case.⁹⁵ However, as confirmed by the Court of Audit, not all PPOs complied with the referral process, and only a small number of cases were referred to the AR units. The reasons for this are not entirely clear. AR work generally lacks resources, for instance, the AR unit in the Vienna PPO office comprise only two prosecutors, and the Central PPO Office for Combating Economic Crime and Corruption (WKStA) has no fully dedicated AR staff. From 2020 to 2023, the caseload at the PPO services increased whereas resources available or added remain insufficient. The authorities indicated that there are no budgetary resources to further increase staff in this area, illustrating insufficient prioritisation given to the AR regime.

567. Prosecutors and the judiciary are not sufficiently trained on AR and lack targeted and updated guidelines (see above). There is generally adequate training at the police level—and the AR units at state and ARO at federal level possess solid expertise for complex AR investigations. However, this is not the case for prosecutors and the judiciary. The PPO training is basically “on the job,” with only one training on “Confiscation Orders and Financial Investigations” last offered in 2021.

568. Despite resource constraints, there are solid cooperation frameworks in place between the respective LEAs. Cooperation, information exchange, and coordination—between Police, Customs, A-FIU, and the PPO—work very well and are characterized by a culture of mutual support. This is supported by both case examples and discussions with practitioners and bodes well if AR is prioritized going forward.

Box 15. Example of Domestic Cooperation in Seizure (Asset Freeze)

CEO Fraud Case (April-May 2025)

Example of seizure (frozen assets)

Unknown perpetrators committed fraud by impersonating the managing director of a Dutch company and a legal representative of its sole shareholder. Claiming a highly confidential corporate takeover, they convinced victims to make a total of 17 bank transfers totalling funds to accounts in Austria, Bulgaria, and the Slovak Republic.

⁹⁴ This applies to cases that meet any of the following criteria: the AR unit at state or federal level proposes AR measures; the value of a potential confiscation order exceeds EUR 10,000; the damage in offenses with a value-based aggravation exceeds EUR 50,000; cross-border co-operation is required; or the competent prosecutor considers referral of the case necessary for other reasons.

⁹⁵ Ministry of Justice: Decree of December 16, 2016 amending the Regulation for the Implementation of the Public Prosecutor's Office Act
https://ris.bka.gv.at/Dokumente/Erlaesse/ERL_BMJ_20161216_BMJ_S604_001_0003_IV_3_2016/ERL_BMJ_20161216_BMJ_S604_001_0003_IV_3_2016.pdf

Box 15. Example of Domestic Cooperation in Seizure (Asset Freeze) (Concluded)

Detection and Response:

A-FIU was alerted through multiple STRs from Austrian banks that flagged unusual transactions and chargebacks initiated by one of the victim's bank in the Netherlands;

Through rapid cooperation between A-FIU, the ARO, and the Vienna PPO, four Austrian bank accounts containing approximately EUR 1.5 million were frozen in May 2025.

Source: <https://www.bundeskriminalamt.at/news.aspx?id=52746947385036784230513D>

Identifying and Tracing Criminal Property and Property of Corresponding Value

569. LEAs routinely work to identify and trace criminal property and property of corresponding value as part of their integrated financial investigations, although asset tracing is not always implemented consistently. Considering the mobility of criminal assets and Austria's position as a transit country (e.g., criminal groups from the Western Balkan involved in drug trafficking smuggling bulk cash through Austria), LEAs also make use of international channels when assets are located abroad. However, discussions with authorities and statistical data suggest asset tracing is not always implemented consistently (IO.2).

570. LEAs generally possess the required capabilities to trace criminal property and property of corresponding value, as supported by cases and interviews (Boxes 16 and 17). They have access to the same tools as those for the detection of the predicate offense (IO.7). At operational level, the police use a checklist for application of AR measures, record all measures taken in the PKS, and in their report to the PPO. The authorities emphasize that easy and rapid access to data on the Land Register, Register of Beneficial Owners, and Central Account Register assist with the tracing of criminal property (IO.5).

571. LEAs are developing analytical tools and centers of expertise to support asset identification and tracing to handle evolving threats in relation to cybercrime. This follows a rise in cybercrime offenses by 74 percent from 2020 to 2024 where dissipation of assets is faster. Austria has been focused on live screening of fraud cases by the relevant CIS unit. This unit plays an effective role in promptly detecting proceeds from fraud and securing them before dissipation. CIS is enhancing tools to assist LEAs in freezing fraudulently obtained VAs immediately when a police report is made. A project was also launched in 2023 in Upper Austria to improve cybercrime reporting and data connectivity between local and state police and to better detect serial offenses. Cybercrime Training Centers provide IT forensics support.

Box 16. LoopX Cryptocurrency Scam

An international group conducted a large-scale fraud (so-called exit scam), claiming to launch a new cryptocurrency called "LoopX" (LPX). They promoted 10 million LPX tokens as highly profitable investments, accepting only virtual asset payments. After hundreds of worldwide victims invested over EUR 5,750,000, the suspects deleted their social media channels and website and disappeared with the funds.

Box 16. LoopX Cryptocurrency Scam (Concluded)

From December 2022 to March 2024, investigators traced cryptocurrency transaction flows across Austria, Germany, Czech Republic, Thailand, and Cyprus, secured and analysed evidence, under Austrian WKStA direction. The investigation revealed the fraud was primarily orchestrated from Austria.

Working with Eurojust, prosecutors from involved countries issued European arrest warrants. Coordinated searches, seizures, and arrests occurred in the autumn of 2023 in Linz, Graz, Prague, and Cyprus with the assistance of Austria's special operations unit, Czech and Cypriot authorities, and Europol IT experts. A 29-year-old and 38-year-old Austrian citizens were arrested in Linz and Cyprus, and a 34-year-old Czech national was arrested in Prague. In the following months, three additional Austrian citizens were apprehended in Styria and Upper Austria. Several assets were seized in the course of the investigation.

Convictions (August 6, 2024) Linz Regional Court convicted five defendants of aggravated fraud and criminal association participation; one was additionally convicted of money laundering.

Appeal Outcome (November 27, 2024) Linz Higher Regional Court (OLG Linz) 67 dismissed appeals but corrected confiscation orders based partly on CIS blockchain analysis. Key rulings:

- VAs valued at time of offense and not the seized assets should be considered for the purpose of calculating property of corresponding value (§ 20(3) StGB). On this basis, the court ordered the confiscation of property corresponding to the value of unrecovered VAs (EUR 684,000, EUR 768,600, and EUR 894,200 in three cases); 17.6 Ethereum (valued at the time: EUR 10,014) seized in government wallet ordered converted to fiat currency, allowing authorities to benefit from market value increase;
- EUR 11,400 watch confiscated as one of the defendants had financed its purchase with proceeds from the fraud.

Box 17. Tax Refund Phishing Fraud Scheme (Early 2023) (provisional measures only)

Perpetrators sent fake SMS messages impersonating the tax office, claiming recipients were entitled to three-digit euro refunds. Victims were directed to click a link and "verify" information on a fake website that captured their banking details.

Detection and Response:

- CIS Unit 7.2 "Situation Report Fraud" identified the phishing pattern early through live screening of new fraud cases. The unit's daily analysis includes approximately 300–400 fraud reports;
- The Unit 7.2 immediately alerted the A-FIU, which issued red warning notices through goAML to reporting entities to identify perpetrator and money mule accounts. The pattern involved links to Lithuanian accounts, specific transaction amounts, and particular payment references.

Results:

- REs quickly adjusted transaction monitoring systems and A-FIU received approximately 150 STRs via goAML from Austrian CIs and VASPs;
- With ARO support, investigators and prosecutors blocked 21 bank accounts and seized EUR 239,945,63;
- Although approximately EUR 150,000 had already been transferred abroad, these measures immediately halted the fraud scheme.

Box 17. Tax Refund Phishing Fraud Scheme (Early 2023) (provisional measures only) (Concluded)

Victims and Suspects:

- Approximately 1,700 victims identified—many only learned of the fraud through authority notification.
- By end of October 2024: 42 accused persons (including 2 unknown perpetrators).
- Most accused persons reside outside Austria; identities confirmed through Austrian police databases and Europol support.
- Investigations were still ongoing at time of onsite visit.

Note: Case example 1 (FINLINK, 2023), discussed during the onsite visit. See also Federal Ministry of the Interior: Money Laundering Situation Report 2023, p.52

https://www.bundeskriminalamt.at/308/files/Geldwaeschebericht_2023_webBF.pdf

572. LEAs and prosecutors did not demonstrate that they systematically seek to trace criminal property using MLA or other instruments when criminal assets flow abroad, except for a couple of on-going cases (IO.2). Austria estimates that an average of 10 requests may be issued on a yearly basis, which is notably low given its risk profile. Within its area of responsibility, the Anti-Fraud Department of the MoF reported to have issued, during the period under review, 3,884 requests for confiscations of assets for tax crimes.

573. LEAs also successfully participate in international JITs that resulted in the application of AR measures. However, the authorities did not demonstrate their capacity to identify criminal assets originating abroad that transit through Austria without foreign intelligence. International cooperation remains largely limited to EU members, and in most cases including with EU members, only a portion of the assets could eventually be recovered.

Box 18. Encrypted Messenger Investigation—Task Force Achilles (Since April 1, 2021) (provisional measures only)

Austrian CIS received substantial data from encrypted crypto-messenger services through international cooperation, leading to investigations by Task Force "Achilles" (AG Achilles).

Results to date: 122 suspects arrested, several kilos of drugs seized, EUR 835,000 in cash recovered and firearms and ammunition seized.

Ongoing Investigation: Currently ~200 investigators from CIS, Task Force Achilles core team, regional CIDs, and DSN are working on what has become Austria's largest police investigation. They are analyzing chats, photos, and videos from approximately 7,000 individuals with Austrian connections. Due to the enormous data volume, authorities estimate investigations will continue for years.

October 2024 Action: Five Austrian citizens suspected of drug trafficking were targeted. Assets worth EUR 300,000 seized, including cash, crypto wallets, and vehicles. All five were remanded in custody.

Note: See as a basis for the case example: Case example 4 (ANOM-SKYECC, 2021)

574. Only a limited number of investigations trigger the application of AR provisional measures (Table 58). It is unclear to which extent this is due to challenges in identifying and tracing

of criminal property and property of corresponding value, difficulties in the application of seizure/confiscation (section on AML/CFT Reporting Obligations, Tipping Off) or instances where assets are of *de minimis* value and procedural costs of confiscation would be disproportional.⁹⁶ It is noteworthy that, despite a 25 percent increase in the number of reported economic crimes (around 75,000 in 2020–2021 years to over 100,000 in 2023–2024), there is no commensurate increase in the use of provisional measures (the number has actually decreased).

Table 57. Austria: Recorded Offenses (Acts) in Selected Categories and Number of Provisional Measures—PKS ^{1/}						
	2020	2021	2022	2023	2024	Average
Total number of recorded offenses (acts)	433,811	410,957	488,949	528,010	534,193	479,184
Economic crime (including fraudulent offenses (§§ 146 StGB seq.)	72,736	75,472	91,844	103,330	103,500	89,376
Number of offenses where provisional measures (seizure/freezing order) were issued	1,953	1,878	2,055	1,876	1,815	1,915
Source: Austrian authorities						
^{1/} The PKS records criminal offenses (acts), not individuals. Acts are counted separately if they relate to different legal provisions or distinct factual events. The same factual act may appear multiple times in the PKS if it fulfills several criminal offenses (e.g. theft and property damage). Therefore, the PKS may include duplicate counts when a single incident involves multiple offenses. In contrast, the authorities state that data on provisional measures always relate to a specific offense, which is why no multiple entries are recorded in that context.						

Freezing and/or Seizing Criminal Property and Property of Corresponding Value

Active Pursuit of Provisional Measures Resulting from Financial Investigations

575. Measures for freezing or seizing of criminal property cover a broad range of assets, but overall values are moderate considering Austria’s risk and context (see below). Statistics on the total value of secured assets show significant annual fluctuations, those being explained by cases of exceptionally high-value assets seized in some years, mostly relating to real estate and stocks.

576. Overall, the application of provisional measures slightly decreased during the period under review, while the number of reported economic crimes has increased (Table 57). As per

⁹⁶ Art. 20a(3) of the Criminal Code provides that confiscation should not be ordered if the asset to be confiscated or the prospect of its recovery is disproportionate to the procedural costs that confiscation or recovery would entail. It is possible that financial investigations are already being dispensed with in some cases on this basis. Austria did not have statistical information to indicate how often confiscation is dispensed. The BMJ takes the view in its Guidelines on AR that disproportionate procedural costs are generally only considered up to a *de minimis* threshold of around EUR 100.

Table 58, there were on average 2,297 seizures on annual basis during the period, amounting to approximately EUR 47 million a year, whereas they were on average 2,748 annual seizures for the period 2013–2017 (according to the Court of Audit's 2019). The reasons for this decrease are not clear. The tables below refer to assets seized by the police, which is typically the execution of a corresponding order issued by the public prosecutor's office. While prosecutors indicate that a considerable amount of assets is seized in the course of investigations without the police executing the order (particularly in the case of bank accounts), no statistical information from the PPO was available on the number of such seizures or the amounts involved.

Table 58. Austria: Number of Provisional Measures and Amount of Assets in Police-Executed Seizures (EUR)						
	2020	2021	2022	2023	2024	Average per year
Number of offenses where provisional measures (seizure/ freezing order) were issued	2,468	2,091	2,502	2,536	1,890	2,297
Amount of assets seized/ frozen	102,639,687	33,452,321	26,644,206	45,582,016	27,372,082	47,138,062
Note: Statistics include seizures by DSN and the BAK.						
Source: Austrian authorities						

Table 59. Austria: Types of Assets in Police-Executed Seizures (EUR)							
Types of assets seized	2020	2021	2022	2023	2024	Total	Average per year
Cash	5,003,343	6,896,220	7,848,838	6,224,496	9,165,645	35,138,542	7,027,708
Money held in bank accounts	10,309,743	5,833,634	3,254,758	4,428,465	4,564,773	28,391,373	5,978,274
Real estate	–	2,320,954	5,040,000	19,182,888	7,243,120	33,786,962	8,446,740
High value goods	3,125,103	2,636,048	2,225,331	7,731,634	2,081,063	17,799,179	3,559,835
Virtual assets	–	–	–	39,185	1,164,448	1,203,633	601,816
Stocks	34,513,086	837,256	191,664	246,303	885,637	36,673,946	7,334,789

Table 59. Austria: Types of Assets in Police-Executed Seizures (EUR) (Concluded)

Other assets	49,688,409	14,928,207	8,083,613	7,729,042	2,267,394	82,696,665	16,539,333
Total	102,639,687	33,452,321	26,644,206	45,582,016	27,372,082	235,690,312	47,138,062

Note: VAs were only recorded as a separate category as of 2023. Until then, the seizure of VAs was statistically recorded under "other." Real estate was recorded as a separate category starting from 2021. Until then, the seizure of real estate was statistically recorded under "other".

Source: Austrian authorities

577. The authorities generally possess the capability to secure substantial assets of various types in complex cases, but volumes appear modest considering Austria's risk and context.

Cash and bank account deposits each account for a significant share of seized assets, although the total amounts seized in bank accounts appears extremely low considering Austria's being a financial center. However, measured against the amounts generated through online fraud and drug trafficking (IO.7), and especially the large amounts of cash transported through Austria, the total amounts appear rather low as well. Data available in relation to VAs since 2023 also indicates that the recovery of VAs is insufficient with a need for measurable increase.

Table 60. Austria: Five-Year Average of the Number of Seizures and Amounts Seized in the 10 Most Frequent Offense Categories (2020–2024)

Offense	Average Number of Seizures per Year	Average Amount Seized per Year
Fraud	190	EUR 12,813,702
Drug crime	1,353	EUR 6,675,723
Money laundering	49	EUR 3,106,160
Breach of trust	24	EUR 2,934,701
Fraudulent bankruptcy	23	EUR 1,253,864
Theft	117	EUR 519,922
Misappropriation	12	EUR 311,252
Human smuggling	100	EUR 221,011

Note: The selected offense corresponds to the top 10 offenses each year in terms of the number of seizures or the total value of assets seized.

Source: Austrian authorities

578. Seizures applied appear to be broadly in line with the main type of ML and TF threats, except for corruption and except for the volumes. Seventy-five percent of seizures refer to 10 main categories of offenses, in particular fraud, drug crimes, ML, and breach of trust. For offenses such as theft and human smuggling, while the seized amounts are significantly lower, these offenses still account for a good number of seizures, suggesting that LEAs apply AR measures consistently. For TF offenses, case studies demonstrate that seizures are consistently carried out by the DSN, with

one significant seizure of around EUR 25.3 million in 2020 (IO.9). Provisional measures do not play any role in investigations conducted by the BAK.

579. Efforts to improve the detection and prosecution of fraud are generating some results reflected in amounts seized. Seizures related to fraud demonstrate that very high results were achieved in 2020 due to high-value cases, with a significant fall in 2021 and 2022. The 2023 and 2024 increased numbers indicate that efforts to improve the detection and prosecution of fraud may be generating some results. For drug trafficking, seizures show relatively more stable results.

Table 61. Austria: Amount Seized in the Area of Drug and Fraud Offenses					
Amount seized (EUR)—offense	2020	2021	2022	2023	2024
Drug crime	9,559,933	6,914,394	4,075,397	3,157,670	9,671,221
Fraud	46,385,834	1,281,205	1,642,271	8,096,044	6,663,154
Source: Austrian authorities					

580. The authorities demonstrated capability to seize property of corresponding value but not to seize property owned or held by non-bona fide third parties (R.4). The capacity to seize property of corresponding value was demonstrated through cases (Box 19) as the authorities do not maintain records of how commonly they seek to seize property of corresponding value, where criminal property cannot.

Box 19. Confiscation Measures in a Terrorist Association Case ^{1/}
The Vienna PPO investigated several individuals for terrorist association and related offenses. During a court-authorized search of a residence, around EUR 4,425 in cash was seized along with numerous mobile phones, SIM cards, and electronic devices. Court Proceedings: • The accused's relatives requested the return of the funds. • First-instance court rejected the PPO's seizure application. • PPO appealed the decision. Appeal Outcome (October 17, 2024): Vienna Higher Regional Court (OLG) overturned the first-instance decision and ordered the lower court to reconsider the seizure. Key Legal Findings: Based on DSN-recorded conversations in the suspect's car, he was suspected of being part of a network collecting substantial cash donations in German-speaking countries for terrorist organization ISIS. The first-instance court erred by examining only standard confiscation requirements (Art. 20 StGB) and failing to consider extended confiscation (Art. 20b StGB). For seizure purposes, it is sufficient that there is suspicion that a future confiscation order is merely probable. ^{1/} Decision of the Vienna Higher Regional Court of October 17, 2024, case number 18Bs272-24t.

Expeditious Measures

581. The authorities can effectively and promptly secure assets. This is usually done by means of freezing and seizing measures via the PPO. The A-FIU rarely uses its transaction suspension powers, and it prefers requesting LEAs/prosecutors to issue freezing/ seizing orders. LEAs and PPOs are available on short notice for these measures for amounts starting at EUR 10,000 (IO.6). Cases show that this system generally works well in practice. Nonetheless, Austria does not seem to be making full use of the possibility to suspend transactions, in particular in the context of fraud cases via the financial sector and transactions below the EUR 10,000 threshold, for which no similarly effective mechanism could be demonstrated.

582. Austria also uses an effective mechanism specific to the fight against social fraud. This mechanism allows the Tax Authority's Anti-Fraud Office to freeze assets—similar to a transaction suspension by the FIU—until a seizure can be ordered in criminal proceedings. Based on this, Austria managed to secure EUR 3,775,163 held in accounts of fraudulent or front companies, along with a luxury vehicle and gold coins. However, the seizures of these assets were based on administrative tax claims and not on criminal offenses. Nonetheless, the Anti-Fraud Office has proven to be very effective, having been able to secure around EUR 50 million in the first half of 2025 as a result of various operations.

583. Austria enacted legislation to lower the burden of proof for freezing of bank accounts and real estate assets but implementation is not yet consistent. Following a recommendation from the 2016 MER to lower the burdens that prosecutors face applying to freeze those assets. In 2018, Austria removed the legal requirement for prosecutors to prove to the court that there was a specific risk that the assets would disperse without the issuance of a freezing order. However, despite this legal amendment, some courts continue to apply the old framework, although others have adopted the new one.⁹⁷ BMJ plans to instruct the Austrian General Prosecutor's Office to file an extraordinary appeal with the Supreme Court to ensure legal clarity and consistency going forward on the interpretation of the 2018 law. No action nor timeline in this regard has been adopted yet.

Managing Frozen or Seized Property to Preserve its Value

584. Austria does not apply asset management tools, beyond mere storage, and there is no system in place to regularly assess potential loss of value of frozen/seized property. The authorities did not provide evidence of taking measures to preserve value and actively use assets, such as the rental of seized real estate assets or the pre-confiscation sales of assets such as VA. Special departments at the courts are used for the storage of smaller physical items. For larger assets such as vehicles or items that require specific knowledge for storage (e.g. valuable paintings), the authorities often use the services of professional enterprises, including car dealerships or auction

⁹⁷ Example of a ruling in line with the previous legal framework: Vienna Higher Regional Court, decision of September 26, 2022, case numbers 18 Bs 145/22p and 18 Bs 185/22w; example of departure from the previous legal framework: Linz Higher Regional Court, decision of 23 May 2025, case number 9 Bs 100/25g.

houses. In such cases, the LEAs typically obtain an order from the PPO to contract these services. For managing real estate and VAs, there are no specific provisions or guidance in place.

Confiscating and Enforcing Confiscation Orders

Criminal Property and Property of Corresponding Value Located Domestically

585. Austria implements its legal framework to confiscate criminal property and property of corresponding value only to some extent and was able to present only three cases of using its NCBC regime, none of which involved the application of its NCBC mechanism introduced in 2021, which provides for reduced evidentiary requirements. Austria has a robust legal framework that enables the confiscation of criminal assets and property of corresponding value through a broad range of instruments, both with and without conviction (R.4).

586. The authorities have increased final confiscations of criminal assets during the period under review, but overall amounts remain low (EUR 8.5 million, annual average). Austria does not maintain data on the estimate proceeds of crime in the country. From 2020 to 2024, the total value of confiscated assets increased by nearly three quarters. This mainly related to the confiscation of proceeds of crime (i.e. forfeiture) and excludes assets returned to victims before a final conviction, which seems a common practice from the cases analysed. No data is kept measuring the value of these returned assets or to demonstrate how often restitution of assets occur in the course of proceedings. In addition, since 2023, the Financial Police is entitled to confiscate unpaid tax debts from fictitious companies, resulting in the confiscation of EUR 14.6 million in 35 cases during years 2023 and 2024.

587. Overall, average annual confiscation values have fallen considerably in relation to the previous period under review (MER 2016: EUR 14.4 million annual average). The previous period figures also reflected some exceptional individual large-scale cases with substantial amounts.

Table 62. Austria: Amounts Realized Based on Confiscation Orders from 2020 to 2024 (Including Both Assets Located Abroad and Domestically) ^{1/}—EUR and %

Category	2020	2021	2022	2023	2024	Total	Average per year
Total assets realized to the federal treasury, of which:	6,398,019 (100%)	108,286 (100%)	676,291 (100%)	974,720 (100%)	1,159,544 (100%)	42,316,860	463,372
Forfeiture (Art. 20 StGB), including extended forfeiture (20b StGB), covering proceeds of crime	5,228,901 (81.7%)	5,669,229 (79.8%)	244,718 (68.3%)	8,062,656 (80.8%)	9,801,165 (87.8%)	34,006,669	6,801,334

Table 62. Austria: Amounts Realized Based on Confiscation Orders from 2020 to 2024 (Including Both Assets Located Abroad and Domestically)—EUR and % (Concluded)							
Confiscation under § 19a StGB (mainly instrumentalities)	4,863 (0.7%)	6,854 (0.5%)	39,851 (0.5%)	59,568 (0.6%)	13,617 (0.1%)	194,753	38,951
Confiscation under § 26 StGB (mainly dangerous instrumentalities)	1,540 (0.0%)	13,130 (0.2%)	637 (0.0%)	4,784 (0.0%)	7,766 (0.9%)	117,857	23,571
Confiscation orders/penalties under ancillary criminal laws	81,669 (1.3%)	148,421 (2.1%)	103,246 (1.3%)	41,488 (0.4%)	111,110 (1.0%)	485,934	97,187
Other confiscations allocated to the federal treasury^{2/}	1,041,044 (16.3%)	240,649 (17.5%)	2,287,839 (29.8%)	806,222 (18.1%)	1,135,884 (10.2%)	7,511,638	1,502,328
^{1/} The figures do not include the amount of assets confiscated because of the very low scale of TF patterns and the difficulty to trace assets in the receiving countries (see IO.9). ^{2/} Other confiscations allocated to the federal treasury" include criminal measures (e.g. proceeds from forfeited deposits) as well as measures that are not related to criminal proceedings (e.g. items deposited by a debtor with the court for a creditor that the creditor failed to collect).							

588. The authorities illustrated the capability to confiscate property of corresponding value through case studies, but it is not possible to determine how commonly this occurs. Austria does not keep statistics on confiscated property of corresponding value but provided cases in relation to different offenses to demonstrate that this occurs in practice (IO.9).

Box 20. Drug Trafficking Case—Confiscation Orders (January 18, 2024)^{1/}
On January 18, 2024, the Vienna Regional Criminal Court sentenced a defendant to three years imprisonment for drug trafficking (comparatively lenient due to significant time elapsed since offenses). The defendant was a member of a criminal organization involved in drug trafficking, acting as co-organizer, financier, and actual owner of cannabis plantations at six locations. A total of 523 kg cannabis was produced and sold (except approximately 100 kg that was seized) for approximately EUR 2 million in value. Value seized (Art. 20b(1) with Art. 20(2) StGB): Seized cash (EUR 3,800, EUR 105,000, and EUR 9,690) on the grounds that it had been under the control of the criminal organization.

Box 20. Drug Trafficking Case—Confiscation Orders (January 18, 2024) (Concluded)

Real estate property: purchased one-and-half years after criminal activities began, while offenses were ongoing at five other sites. The court found that the purchase had been made using proceeds from drug sales, and starting in November 2017, the property had been used for the cultivation of large quantities of narcotics as part of the criminal organization's operations.

A seized watch—owned by the defendant and valued at EUR 10,000, as it considered that it has been financed using drug trafficking proceeds.

The court issued confiscation orders (Based on Art. 20b paras. 1 and 2 StGB—Extended Forfeiture), as it considered that assets were either proceeds obtained through/used for offenses (Art. 20b(1) with Art. 20(1) StGB) or assets of corresponding value.

^{1/} Judgment of the Vienna Regional Criminal Court of 18 January 2024, Case No. 607 Hv 5/19v.

589. Confiscation measures can extend to other property of the person being convicted of ML, TF and some predicate offenses,⁹⁸ but application of extended confiscation is rare. This applies when the court is satisfied that such property is derived from criminal conduct (Drug Trafficking case in Box 20). Statistics available, however, demonstrate that such application is rare.

Table 63. Austria: Number of Confiscation Orders (Cases)

Type of Confiscation	2020	2021	2022	2023	2024
Confiscation under § 19a StGB	1,507	1,909	2,045	2,106	2,115
Confiscation under § 20 StGB applicable until 31 Dec 2010 (illicit enrichment)	13	7	7	14	6
Confiscation under § 20 StGB	2,156	2,318	2,415	2,444	2,529
Extended Confiscation under § 20b StGB	5	10	13	16	9
Confiscation under § 26 StGB	2,884	2,945	2,673	2,755	2,747
Total	6,889	7,483	7,430	7,335	7,406
Source: Austrian authorities					

590. Austria has not made use of its NCBC regime introduced in 2021, and the regime remains largely unknown by LEAs and prosecutors. This was confirmed by discussions with practitioners and reflects the fact that AR guidelines have not been updated to provide guidance on its use (section on Prioritization of Asset Recovery as a Policy Objective and Using Effective Agency Structures and Co-operation Frameworks).

591. Austria does not sufficiently enforce confiscation orders, where assets have not been previously secured and the convicted does not have sufficient assets. Courts often refrain from

⁹⁸ See R.4.

pursuing confiscation if the convicted does not hold sufficient assets at the time of conviction. In such cases, usually only one enforcement attempt is made. No further recovery efforts are undertaken further, even though the confiscation order remains enforceable for at least five years. No new assessment of the convicted person's financial situation or the use of coercive measures such as searches seem to be made to support confiscation if a first attempt has been unsuccessful.

592. Significant challenges arise when a defendant's criminal assets (located in Austria or abroad) are held by straw men or companies registered in offshore jurisdictions. Even though confiscation of a legal person's assets without involvement of the owner during court proceedings has been confirmed by Supreme court, courts continue to rely on a more stringent jurisprudence which makes it extremely challenging for Austria to confiscate assets held through offshore fraudulent companies. One of the challenges is that courts continue to require the summons of the owners and beneficial owners of front companies, and where these companies and persons are outside Austria, the process can be very cumbersome. Interviews with practitioners indicate that the judiciary is lacking guidance on this issue, which is critical considering Austria's risk and context.

Criminal Property and Property of Corresponding Value Located Abroad

593. Austria did not demonstrate seeking assistance from foreign counterparts in confiscation matters, except for a few cases (IO.2). The authorities did not provide data on the number of MLA requests issued to seize or confiscate assets located abroad, and the nature of the assistance requested, including regarding seizures and confiscation in equivalent value. The central authority estimates that an average of 10 requests may be issued by Austria on a yearly basis, which is notably low given Austria's risk profile. No information was provided on the amounts of assets seized or confiscated at Austria's request.

Returning Confiscated Property to Victims

594. Austria has a mechanism to return property to victims. Cases reviewed show that victims/private claimants participated in the criminal proceedings and were regularly awarded compensation. In addition, several judgments also showed that Austria regularly often returns seized assets to victims already during the investigation phase. The country does not maintain information on the value of returned assets or on how often restitution takes place. However, the moderate level of seizures indicates that the amount of returned assets is also likely to be moderate at best.

595. At the same time, several cases indicated that assets seized and confiscated were often insufficient to satisfy the victims' claims. Austria has taken legislative measures in 2024 to widen the possibility of restitution of seized assets to victims before a final judgement. This can now take place either ex officio or at the request of the victim—if possible, after the accused has been heard. As such, restitution of assets to victims can no longer be blocked by an impossibility of hearing or locating the accused, strengthening victims' rights and a faster path to compensation. As the provision is new, there is no sufficient experience with its application yet.

Identifying and Confiscating Falsely or Undeclared Currency/BNIs or Those Related to ML/TF or Predicate Offenses

Identifying and Seizing Non-declared or Falsely Declared Cross-Border Movements of Currency and BNI

596. Austria has some measures to detect and prevent cross-border movements of currency and BNIs with a focus on its external EU borders but has not implemented them in line with its risk profile. It does not maintain records on the amounts of cash and BNI seized or confiscated. Overall, there is insufficient evidence of measures, strategies, or objectives aimed at detecting cash and BNI at the EU internal borders, despite Austria's position as a transit country and cross-border cash smuggling and hawala being identified as common ML and TF methods.

597. There is a declaration system in place for all persons entering or leaving its EU external borders with currency or BNIs above a EUR 10,000 threshold. In addition, Austria has also implemented a disclosure system which requires movements within the EU to be disclosed to Customs officials. The number of cash/BNI declarations and disclosures received over the past years is relatively stable, with BNIs playing virtually no role.

Table 64. Austria: Cash/BNI Declarations and Disclosures

Year	Declarations Incoming—Cash	Declarations Incoming—BNI	Incoming declarations—Volume in EUR millions	Declarations Outgoing—Cash	Declarations Outgoing—BNI	Outgoing declarations—Volume in EUR millions
2020	1,199	0	1.27	761	0	1.28
2021 (until June 2)	450	0	0.44	375	0	1.10
2021 (after June 2)	840	0	3.77	685	1	1.96
2022	1,191	1	1.48	1,201	0	1.90
2023	1,165	1	0.93	1,160	0	1.26
2024	1,267	0	0.84	1,221	0	1.51

Note: Until June 2, 2021, all precious metals, such as gold, silver and platinum, had to be declared directly to Austria when they were brought across the customs border. Therefore, the total amounts also include the values of precious metal shipments. With the entry into force of EU Regulation 2018/1672, gold coins, gold bars and gold nuggets are now also subject to declaration when imported into the European Union and are included in the total amount of cash.

Source: Austrian authorities

598. In relation to controls at its external EU borders, there was a short-term increase in the number of controls, seizures, and identified false declarations at Austria's EU borders likely

due to an initial period of adjustment to the entry into force of EU Regulation 2018/1672 in June 2021. According to the authorities, many travelers were largely unaware of the declaration obligation at the time the regulation was introduced—which led to a higher number of withheld cash. The awareness of the obligation has increased significantly in the following years.

Table 65. Austria: Controls and Number of False Declarations Identified

Year	Controls at EU's external border	False Declarations	Cash/BNIs Seized
2020	117,535	14	36
2021 (until June 2, 2021)	120,954	23	123
2021 (after June 2, 2021)		20	
2022	139,661	60	74
2023	141,772	73	82
2024	110,287	83	89
Source: Austrian authorities			

599. More recently, Customs adapted their strategy to conduct fewer but more targeted checks. In 2025, the authorities are introducing a tool called "risk person" which contains a database of persons who have already been convicted for failing to declare cash movements, to facilitate their identification, but no results concerning its application were available. The figures on controls at the EU external borders for 2024 show a significant decrease in controls at the EU external border, but at the same time an increase in the number of seizures.

600. Mobile control units participate in the monitoring the movement of cash across borders, which triggers criminal investigations. There is no evidence that they trigger ML investigations or prosecutions more than only very rarely, which the authorities attribute in particular to the design of the ML offense (section on ML Activity Identified and Investigated). In 2024, the mobile control units identified 32 violations of the obligation to provide information. Further questioning revealed that in 28 of these cases, a declaration obligation upon entry into the EU in another Member State had been breached. In all of these cases, criminal proceedings were initiated in accordance with Section 48a of the Fiscal Penal Code. The data collected on the persons involved were forwarded to the A-FIU, the Tax Authority, and the Anti-Fraud Office. It is not known if cases have triggered prosecution for ML.

601. There is no evidence that assets temporarily withheld by Customs are systemically subjected to subsequent criminal seizure in the context of criminal investigations. The authorities indicated that the cross-border transfer of large suitcases of cash of unknown origin alone would not per se give sufficient ground for criminal prosecution, even though the NCBC mechanism could provide an appropriate confiscation tool in this context. The authorities indicated that the withheld cash can be used to satisfy executable tax claims against individuals who failed to

declare the cash at the border but provided no evidence to demonstrate the effectiveness of this mechanism.

Confiscation of Currency or BNI Related to ML/TF or Predicate Offenses

602. Austria has not provided data on the amount of cross-border currency confiscated during the review period. The country is a cash-intensive eurozone economy, which makes it an attractive destination to launder foreign and domestic proceeds of crime. Case studies provided show that controls uncovered cases of large cash transports, but the authorities could not evidence that such cases led to confiscation orders, in the context of ML or other crimes. The 2016 MER recommended Austria to ensure a more deterrent system for the confiscation of undeclared or falsely declared cross-border movements of currency/BNIs. There is no evidence that the country has taken measures to address that.

Sanctions

603. Austria did not provide evidence of any sanctions imposed for violations of declaration and disclosure obligations nor any on the control of mail and cargo. The country does not maintain records on the amount of cash and BNI seized at its borders, internal or external. Similarly, there is no information on the submitted controls or disclosures received in relation to its EU internal borders.

TERRORIST FINANCING INVESTIGATIONS AND PROSECUTIONS

The relevant Immediate Outcomes considered and assessed in this chapter is IO.9 The Recommendations relevant for the assessment of effectiveness under this chapter are R. 5, 30, 31 and 39 and elements of R. 1, 2, 15, 32, 37 and 40.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Austria has a sound legal framework in place to counter TF and is implementing it to a large extent effectively, mostly to counter small-scale TF activities, which are representative for Austria's TF risk and context.
- b. The DSN, which is Austria's main TF investigative body, is well structured and has proved to be effective in investigating mostly small-scale TF schemes and beyond that, also some complex and large-scale TF activities. The authorities open financial investigations routinely as part of terrorism investigations and all aim at identifying the terrorism financier.
- c. The number of TF investigations is rather substantive, in consideration of Austria's risk profile. The types of TF activities being investigated are broadly in line with the TF risk profile,

but no hawala-type TF schemes have been dismantled so far. Some limitations exist in the ability to use advanced investigation techniques, such as surveillance of encrypted communications or infiltration of terrorist groups.

- d. There is no specialized terrorism prosecution office at federal level, and the coordination of investigative bodies is not organized in a structured way. Guidance is provided to investigators on a case-by-case basis only. There are, in every PPO, prosecutors specializing in terrorism and TF, but prosecutors, investigators, and judges receive very limited training on terrorism and TF.
- e. The number of prosecutions for TF is more than adequate, considering Austria's TF risk profile, and the ratio of successful prosecution is substantial despite the very high evidence standards imposed by courts. Offenses are, in a number of cases, prosecuted as participation in terrorist organizations, to overcome this challenge. Even though the misuse of NPOs for TF purposes has been identified as an area of concern through TF investigations, no NPO has been prosecuted or dissolved to date.
- f. Sanctions are effective, proportionate, and dissuasive in consideration of the type of offenses prosecuted, and penalties can add up to several years of imprisonment, even for low-scale TF offenses. The number and amount of assets confiscated are very low, but Courts have made an adequate use of confiscation in equivalent value in some of the cases prosecuted.
- g. Several alternative measures are available where TF conviction is not practicable, but there is no evidence of their use in practice, except from the routine prosecution for participation in a terrorist organization or referring the case to tax authorities when TF charges cannot be secured.
- h. The inability of the BMJ to extract and use statistical data limits its potential in making a granular analysis of TF patterns, and of prosecutions and convictions of TF activities. Its involvement in the definition of relevant policies and strategies is therefore limited, and it is not playing its role in leading TF policies.

Other Recommended Actions

- a. The BMJ should be involved more proactively in the definition of CFT strategies and policies as well as CT strategies at federal level and develop its own strategies for the prosecution and conviction of such offenses.
- b. Austria should improve its analytical tools, particularly its statistical tools, to have an immediate and accurate picture of criminal trends, monitor the implementation of TF policies at investigative and justice levels, and adapt tools and allocate resources as needed.
- c. Austria should take measures, in line with its fundamental principles of domestic law, to allow for the remote real-time surveillance of encrypted communications of terrorist groups and individuals.

- d. Austria should continue to investigate TF schemes involving legal persons (including NPOs) and increase investigative efforts into hawala-type networks and racially or ethnically motivated terrorism, with the view of increasing the number of TF related cases being prosecuted, when appropriate.
- e. Austria should issue manuals and guidelines for investigators, judges, and prosecutors to provide support for practical challenges in their operational work and ensure consistency as to the evidentiary standards thresholds, in particular regarding the *mens rea* elements of the TF offense.
- f. Austria should substantially strengthen training of investigators, judges, and prosecutors. It should organize regular training seminars, in particular for judges, and ensure that specialized prosecutors receive substantive initial training on terrorism and TF issues before taking their duties.

Overall Conclusions on IO.9

604. Austria is effective in investigating and prosecuting TF.

605. Despite some challenges in prosecuting TF offenses linked to evidence issues, the number of convictions has substantially improved since the last mutual evaluation and compares very positively with jurisdictions of equivalent size and/or risk profile in the same region. However, the criminal activities investigated and prosecuted are limited in scale and usually relate to small-size transfers of funds to relatives in terrorist organizations, which is in line with Austria's risk and context. LEAs have nevertheless demonstrated their ability to also investigate complex and large-scale TF schemes. Sanctions are effective, proportionate, and dissuasive and issued within a reasonable time frame.

606. Areas where moderate improvements are still needed have been identified.

Shortcomings in statistical tools limit the ability of the BMJ to monitor trends and typologies, and to contribute effectively to the design of national CFT and CT strategies. Better consistency in the application of evidential standards regarding the *mens rea* element of the offense would allow more effective prosecutions.

607. Despite the threat posed by some NPOs active in TF schemes, none have been convicted nor dissolved so far. Confiscation is limited in volume. Training of investigators, prosecutors, and judges would require some further efforts.

608. Austria is rated as having a Substantial level of effectiveness for IO.9.

B. Immediate Outcome 9

609. The TF risk in Austria is considered as high by NRA 2025. Recent terrorist attacks in 2020 (Vienna) and 2025 (Villach) as well as some attempts in 2023 and 2024 targeting, in particular, the Taylor Swift concert in 2024 have raised the overall terrorist risk. Activities of groups such as the

Muslim Brotherhood,⁹⁹ North Caucasian groups, and the Islamic State Khorasan Province (IKSP) represent a TF threat, with IKSP representing the highest threat for terrorism. TF risks from Al Qaeda and Takfirists are considered as low, as the authorities did not identify a financing network in Austria in relation to these groups. Austria has limited experience with foreign terrorist fighters (FTF) during the period under review, except for two individuals that were prevented from traveling in 2019 and 2020, and one FTF who returned to Austria. The country is also exposed to potential threats from "right-wing and left-wing" extremism.

610. TF-related funds mainly derive from crowdfunding donations of limited amounts, income, and social welfare and are channeled to terrorist groups or activities outside Austria.

Only a fraction of the NPO sector is considered at high risk for TF abuse (6.7 percent of the NPO sector and 0.06 percent of all organizations active in the not-for-profit realm—IO.10) even though the collection of funds through the NPO sector is commonly identified as a collection method for TF activities, including in Austria. Cross-border transfers occur via official MVTs or traditional methods (hawala). A few cases uncovered the use of cryptocurrencies, even for the transfer of limited amounts. Terrorist financiers also use cash couriers. There is no record of profit-making crimes committed for TF purposes, but the NRA recognizes that more organized networks may exist in particular to finance Hamas. Recent terrorist attacks in Austria, including in Vienna in 2020, were prepared by isolated individuals who relied on their own assets.

611. Austria has a sound legal framework to counter TF. It has fully implemented the UN TF Convention, and TF is criminalized together with the participation in terrorist organizations, the financing of travel of terrorist individuals, and the provision or receiving of training. Those offenses can be punished by imprisonment from 5 years (traveling for terrorist purposes and receiving terrorist training) to 10 years of imprisonment (financing of individual terrorist acts, individual terrorists, and terrorist associations), but penalties may go as high as 20 years if the financier is considered as an accomplice of a terrorist act. Austria is compliant with R.5.

612. Statistical tools available in the BMJ do not allow for a swift and accurate analysis of criminal behaviors and trends. The granularity of information is not sufficient to have a detailed appraisal of TF activities and typologies, it takes a long time to extract statistics, and, in several instances, they do not match each other. Without an accurate and detailed statistical tool, the BMJ cannot effectively contribute to the assessment of risks and the development of counter-terrorism policies and strategies.

613. International cooperation in TF matters function smoothly, both at informal level for investigation purposes and more formal levels (IO.2).

⁹⁹ The Muslim Brotherhood is not listed as a terrorist organization in Austria, but the "Symbol Act" of 2021 prohibits the use of the Muslim Brotherhood's symbols, among others.

TF Activity Identified and Investigated

Identification and Investigation of TF Activity

614. There is a solid institutional framework in place both to identify and investigate terrorism and TF. The Directorate State Protection and Intelligence Service (DSN) comprises a central office responsible for the investigation of complex terrorism/TF cases, and nine State-level branches (LSEs)¹⁰⁰ responsible for most of the other investigations. The DSN is part of the Directorate General for Public Security within BMI and is both a LEA and a domestic intelligence service. DSN and LSEs are solely responsible for the investigation of terrorism and TF. When another LEA (e.g., BKA, Customs, tax authorities) suspect terrorism or TF, it informs the DSN which reviews the case, including through data checks in internal databases.

615. The authorities open financial investigations routinely as part of terrorism investigations and all aim at identifying the role of the terrorism financier. LSEs conducted 246 investigations and the DSN 5 investigations between 2022 and 2025, half of them were conducted in 2024. Most of the cases were charged under the offense of participation in a terrorist organization even when they included a TF component. Cases under investigations and successful convictions that were provided demonstrate that the investigations always aimed at identifying the role of the financier, even if not always successfully. Out of the 251 such investigations, 275 offenders were identified and 32 only remained unknown. Nineteen of the offenses were singled out as TF and 10 as TF and participation in a terrorist organization. This demonstrates an overall good success ratio despite difficulties arising from the cross-border dimension of most cases and the layer of transactions using NPOs, legal entities, formal or informal MVTs (see above).

616. The volume of investigations compares very positively with other neighboring jurisdictions of similar size and/or risk profile. DSN and LSEs investigated 29 pure TF cases between 2022 and 2024, an average of 10 cases per year.

Table 66. Austria: Participation in Terrorist Organizations and TF Investigations by DSN and LSEs

Year	Number of cases	LSE	DSN	Participation in terrorist organizations (278b.)	Terrorism financing (278.d)	Both 278.b + 278.d	Perpetrators	Unknown
2022	53	53	0	58	7	3	57	5
2023	79	76	3	100	8	4	97	9
2024	119	117	2	135	4	3	121	18

¹⁰⁰ Landesamt Staatsschutz und Extremismusbekämpfung, the nine state-level branches of DSN.

Table 66. Austria: Participation in Terrorist Organizations and TF Investigations by DSN and LSEs (Concluded)

Total	251	246	5	293	19	10	275	32
Note: Some cases may count more than one of each of the offenses above. The statistical system does not allow to display figures before 2022 and statistics could not be obtained for the first half of 2025. Source: DSN								

617. Most cases are identified through financial intelligence work by DSN, on the basis of disseminations from A-FIU prompted by TF-related STR/SARs. After an initial internal analysis, TF-related STR/SARs are automatically transferred by A-FIU to DSN for further review. In those cases, DSN makes an in-depth analysis and produces financial intelligence in support of investigations and for intelligence purposes. Out of the 12,223 STRs/SARs filed with the FIU in the period 2021–2024, 671 were based on TF suspicions. This corresponds to 5.48 percent of the total, an average of 167 per year. Out of these, 574 were referred to DSN, which corresponds to almost all TF-related SARs/STRs received by A-FIU. A-FIU systematically transfers content of TF-related STRs with no substantive financial analysis and does not really add value to the intelligence it makes available to DSN.

Table 67. Austria: Transmission of TF-related SARs/STRs to DSN

	2022	2023	2024
TF STRS/SARs received by A-FIU	103	140	233
TF STRS/SARs sent to DSN	104	138	229
Note: DSN Statistics are available only for 2022–2024 Source: DSN/A-FIU			

618. The DSN produces financial intelligence to identify TF activities as part of TF investigations with data support from A-FIU. They use several shared databases to analyze STR/SARs. A-FIU, as a police-type FIU, has access to databases which are available to all police departments, including DSN. However, some databases are specific to A-FIU and some DSN databases to which A-FIU does not have access. Upon receiving a report from A-FIU, DSN/LSE cross-check the information using shared databases and international databases. DSN/LSE also has direct access to, and routinely uses, the Central Account Registry, as well as the Beneficial Owner Register to substantiate suspicion. When additional information is needed on an STR/SAR, A-FIU reaches out to the OE to obtain that information at the request of the investigator.

619. Other sources also trigger identification of TF activities and lead to investigations. Those include foreign intelligence (between 2023–2025, 52 foreign requests received with intelligence on TF or participation in terrorist activities led to the opening of 12 related investigations). Out of the 251 cases of TF and participation in terrorist activities, 64 were opened based on domestic intelligence obtained by DSN, generally through other investigations including advanced investigation techniques (wiretapping, infiltration, etc.) revealing TF activities. Each terrorism investigation in Austria (20 were conducted between 2021–2025) or an investigation for

participation in a terrorist organization always includes a financial investigation component to identify the origin of the resources used to commit the terrorist offense. Whereas several of them do not reveal TF activities (terrorist attacks financed by the terrorist's own means), authorities indicated that they sometimes successfully untie TF offenses, although the DSN was not able to provide exact figures to substantiate this.

620. Typologies of TF investigations reveal that authorities identify and investigate cases broadly in line with Austria's TF risk profile. The authorities demonstrated their ability to investigate cross-border schemes involving social networks, humanitarian-claimed NPOs, and online platforms to reach out and raise funds. DSN acknowledged that, like most LEAs, it was facing challenges in tracing TF transfers until the ultimate beneficiary, as the money trail disappears in regions/countries with weaker AML/CFT controls and limited international cooperation. In several investigations, groups operating within Austria and neighboring countries were identified, using the same platforms or NPOs to collect funds for cross-border TF activity and channel these funds to third-party countries through bank transfers or money mules. A few investigations uncovered the use of cryptocurrency transactions.

621. The authorities have not neutralized any TF-related hawala-type networks to date. The DSN highlighted the difficulties to identify TF-related hawala activities, because of their underground nature, while recognizing that several TF transfers use such channels. The lack of use of advanced investigative techniques to infiltrate hawala schemes could explain the difficulty to break through such schemes and the Assessment Team have not identified that specific efforts are being made to this effect, to ensure consistency with Austria's TF risk profile.

622. Most of the TF cases investigated related to religiously motivated terrorism, and there was no TF component to the five cases of extreme right-wing terrorism that could be investigated, as they related to the publication on social medias of pro-Nazi language or threats against the Jewish community.

623. The authorities also demonstrated, in one of the few large-scale investigations carried out by DSN, their ability to investigate complex and far-reaching cases and their capacity to seize funds and other assets. Initiated in 2020 and still under investigation, this case allowed for the seizure at the initial stage of EUR 500,000 in cash, EUR 1.9 million on 137 different bank accounts, and 34 real estate properties for an estimated amount of EUR 25 million. Later measures allowed for the seizure of EUR 950 000 in cash or bank accounts. However, most cases do not result in such large seizures, which is in line with the low scale of TF patterns in Austria. TF investigations generally last more than one year, which is reasonable.

624. The DSN and LSE use all the investigation measures provided by the current Code of criminal procedure (StPO), but some legal powers are missing. The operational powers that the DSN has as part of its preventive role cannot be used *proprio motu* for criminal investigation purposes. The use of all coercive powers like wiretapping or access to bank accounts, must be authorized by an order of the prosecutor, which is standard practice. However, some advanced investigative techniques prove to be difficult to implement in Austria. In particular, the remote real-

time monitoring of encrypted end-to-end communications is impossible due to the lack of a legal basis.¹⁰¹ This issue was also raised by neighboring countries within the feedback on international cooperation (IO.2). Also, infiltration of terrorist groups is impossible lacking an immunity system for infiltrated agents.

Prosecuting and Convicting Different Types of TF

625. There is no specialized prosecution office for terrorism at the federal level, and prosecutors lack guidance and TF-specific training. Each prosecution office in each of the states has at least one specialized TF prosecutor, but PPOs like Vienna count seven specialized prosecutors, and Graz has four of them. The Central Public Prosecutor's Office for Combating Economic Crimes and Corruption (WKStA), competent for large-scale ML offenses, does not undertake TF prosecutions.

626. There is no process for the coordination of all services involved in TF investigations beyond supervision by prosecutors of individual investigations by the DSN/LSEs. Prosecutors supervise the investigations carried out by the DSN/LSEs, provide for guidance and instructions and deliver investigation orders for coercive measures. PPOs do not ensure the coordination between LEAs, A-FIU, and intelligence services. Some general information meetings may take place, as well as coordination meetings in the case of important or large-scale investigations. There is no indication that prosecutors issue regular written instructions to clarify certain procedural provisions or to instruct about the implementation of the law. The authorities did not provide information about the existence of feedback processes in place to inform investigators of the outcome of the investigations carried out.

627. The DSN and the BMJ organize regular meetings to discuss procedural issues. In some cases, ad hoc meetings are organized on a regular basis with the competent prosecutor to discuss important or large-scale operations. The "Guidelines on Crimes (KLF)" issued by the BMI is an online reference guide on the Ministry's intranet covering various types of investigations or crimes, but it does not cover specifically TF.

628. PPOs have registered a total of 208 incoming files labeled as TF from 2020 to 2024. This figure includes all files received by the DSN that did not result in an investigation because of the lack of sufficient suspicion, including STRs with no substance sent to the DSN for analysis, for which the decision to dismiss the case must be taken by the prosecutor. A total of 45 persons were indicted, and 31 convicted. Out of the 251 investigations, the TF offense was eventually retained for prosecution in 29 cases, out of which 10 together with participation in a terrorist offense.

¹⁰¹ See c. 31.2 (b) and (c) in fine. A law was adopted by the National Council on July 9, 2025 with intention to give real-time remote access to DSN to encrypted communications, as part of terrorism and TF cases. This was after the end of the onsite visit and therefore has not been assessed by the assessment team.

Table 68. Austria: Prosecution of Terrorism, TF, and Participation in a Terrorist Organization

	2020	2021	2022	2023	2024	Total
278d Terrorist financing	35	61	31	55	26	208
Investigations by DSN/LSEs	-	-	10	12	7	29
Persons indicted	14	15	7	4	5	45
Acquittal by court	1	2	0	0	2	5
Conviction by Court	6	11	4	5	5	31
278b Participation in a terrorist organization	156	198	194	270	303	1,121
Indictment	60	60	73	49	88	330
Acquittal by court	9	15	15	12	11	62
Conviction by Court	24	44	40	35	61	204
Note: the difference between the number of persons convicted and acquitted and the number of persons indicted is due to the fact that a number of cases are still pending, or the person is absent and cannot be tried.						
Source: BMJ, DSN						

629. Compared to other neighboring jurisdictions with a similar risk profile and/or size, the number of convictions for terrorism, participation in a terrorist organization,¹⁰² or TF is substantial. The ratio of successful prosecution is also very favorable (70 percent for participation in a terrorist organization, 90 percent for TF, and 97 percent for terrorism), but it should be taken into account that the rate of dismissal before prosecution is important. Since the 2016 MER, the number of TF convictions has substantially improved (3 from 2012 to 2015 compared to 31 for the period under review). This increase can be analyzed in the light of the peak in terrorist and radicalization threats in the period 2013–2016 in Europe and the subsequent increase in awareness and prioritization of terrorism/TF strategies. Law enforcement and judicial authorities can be considered as effective in bringing perpetrators of TF-related offenses before courts. It is to be noted that even for small amounts (for ex. EUR 300), the authorities obtained convictions.

630. PPOs are facing the challenge of providing evidence of the *mens rea* element of the TF offense due to a stringent jurisprudence by the courts. As per this jurisprudence, prosecutors must prove without any possible doubt that the offender was aware that the funds would be used for terrorist purposes, a *probatio diabolica* when funds are channeled through opaque intermediaries and tracing funds become impossible in certain regions of the world. Prosecution strategies therefore include not only the prosecution of TF under the participation in a terrorist

¹⁰² The authorities indicated that, in several cases, TF activities were pursued under participation in a terrorist organization as the evidence threshold is lower for this offense. There is no indication of the ratio of TF activities pursued under this offense and statistics in this regard are mentioned for information only.

organization offense, for which the evidence threshold is lower, but also under the qualification of aiding and abetting terrorists and terrorist organizations, as the maximum sentence is 20 years, as opposed to 10 years for the TF offense. However, the authorities highlighted the difficulty to provide evidence that the terrorist financier was aware of the terrorist aims of the organization, as those are usually located abroad making evidence collection difficult.

631. The number and the amount of assets confiscated are very low because of the very low scale of TF patterns and the difficulty to trace assets in the receiving countries. The analysis of all convictions pronounced in 2023 and 2024 show that convictions occur generally around three years after the commission of the offense, which, bearing in mind the complexity to trace funds in such cases, is a reasonable timeline. No legal entity (nor NPO) was prosecuted for TF or related offenses to date or was subject to an administrative measure of dissolution. No specific instruction was given to enforcement agencies to give priority or increase focus on investigations and prosecution in these cases.

632. Close cooperation between prosecution, the DSN, and LSEs allows the usual challenge of turning intelligence into evidence to be overcome. This is true, in particular, when it comes to opening an investigation based on classified intelligence. Such issues are dealt with in a very pragmatic way through the very close cooperation between the DSN and prosecutors of TF matters. When intelligence is obtained through international cooperation as “for intelligence purposes only,” the information must be de-classified, and a request must be sent to the issuing country for that purpose. In most cases, Austria then issues a formal request for MLA to receive the information. If this proves not to be possible, the evidence must be obtained from other sources.

633. Prosecutors and judges do not receive training on terrorism and TF, even when they are assigned as specialized prosecutors. The BMJ and Courts, responsible for the training of judges and prosecutors, have never organized any training seminar on TF.¹⁰³ In addition, the BMJ has not issued guidelines or manuals on this matter. However, each new relevant law is accompanied by a decree explaining its context and providing directions for its implementation.

634. Overall, some training efforts on TF were initiated in line with actions identified in the AML/CFT Strategy and implementing action plan (IO.1) but had to be discontinued for budgetary reasons. The DSN reported that it organized for the first time in 2024 a one-week workshop on “financial investigations, terrorist financing and AR” in which 22 investigators took part. This seminar is intended to become a regular annual event, even though the 2025 edition of the seminar was postponed because of budget issues. In addition to investigators, FMA staff and some prosecutors attended, allowing for the exchange of information and coordination.

635. International cooperation in TF matters functions smoothly. Austria is a member of the EU Network of Counter-terrorism Financial Investigators launched in 2022 and is part of the working

¹⁰³ After the onsite, the BMJ has elaborated a training strategy including a series of ML/TF expert training seminars in hybrid form for prosecutors, beginning in 2026.

group “Financing of Hamas” of the TFTP hosted by Europol, which was set up following an agreement between the EU and the United States on the processing and transfer of financial messaging data. Austria is also a member of several security cooperation mechanisms but outside this scope, it does not organize or participate in meetings in TF matters with foreign counterparts.

636. Feedback received from FATF/FSRB members shows that countries consider that Austria is giving adequate attention to the financial aspects of terrorism, and that it is implementing a professional and proactive policy to mitigate the TF risk. The quality of investigations made upon request of foreign countries is considered by those countries as efficient and qualitative and carried out quickly, purposefully and comprehensively. One FSRB member reported on a successful one-year JIT which was accompanied by several EIOs.

Effectiveness, Proportionality and Dissuasiveness of Sanctions

637. Sentences appear effective, proportionate, and dissuasive in relation to the criminal behaviors involved. Most cases relate indeed to small amounts and do not involve extensive operations by organized groups. Despite the fact that authorities were not in a position to provide any statistics on sanctions, the 10 decisions issued in 2023 and 2024 were made available. The analysis of the judgments shows that penalties range from six months suspended with probation, to three years and six months imprisonment, and identifies two acquittals. It includes 3 convictions to 18 months suspended, 1 conviction to 10 months imprisonment and 60 daily rates of EUR 23, 1 conviction to 6 months, 1 conviction to 6 months suspended, 1 conviction to 2 years and 1 year (2 offenders), and 1 conviction to 3 and a half years upheld by the Court of Appeals. The size of the sample of decisions does not allow to give any statistical value to this finding but provides a valuable indication of the type of sanctions issued in the last two years.

638. In two instances, Courts pronounced a decision of confiscation in equivalent value for TF. In one of the cases, the Court of Appeals of Vienna reversed the first instance decision which stated that since no asset was seized and available, it was impossible to issue a confiscation order. The appellate Court invalidated this interpretation, stating that the fact that collected donations were not available anymore did not prevent from confiscating the amount in equivalent value, in application of art. 20(3) and 20b(1) of the Criminal Code. It ordered the confiscation of EUR 20,000 corresponding to the amount sent to the terrorist organization.

National Counter-Terrorism Strategies and Activities

Formulating National Counter-Terrorism Strategies and Activities

Involvement of enforcement or prosecution authorities in the definition of Counter Terrorism (CT) strategies

639. The national strategy to CT is contained in the 2021 “Action Plan for the Prevention and Countering of Violent Extremism and De-radicalization” and the 2024 “National Security Strategy” (NSS). The first one is more a prevention strategy aiming at protecting from

radicalization and extremism moves. It does not refer to terrorism or TF. The NSS provides a brief action plan to CT through the strengthening of interministerial national and international coordination, reinforcing human resources, strengthening investigations, developing the legal framework, and continue to focus on the prevention of extremism.

640. It does not refer to TF and does not contain specifics about investigations and prosecution of TF nor about resources needed at enforcement and prosecution level. The lack of reference to TF in the overall security and counter-terrorism strategy raises an issue as to the level of priority given at strategic level on the fight against TF. In the absence of any strategic direction and impetus, prioritization and allocation of appropriate resources are left with enforcement and prosecution authorities. Results achieved so far could be further improved by the definition of strategic directions at policy level.

641. The DSN, a core authority in the development of CT policies, is involved in the definition of the overall anti-terrorism strategy. Conversely, neither the BMJ nor the judicial authority have been involved in the design of the strategies and the assessment of needs. This is also true for AML/CFT risk assessment exercises and development of strategies, for which the BMJ contribution seems to be limited (IO.1).

642. As the DSN and LSEs are in charge of both CT activities as well as TF and belong to the same hierarchy, internal coordination is informal and very efficient. In every terrorism investigation, the TF aspects are also investigated. On the other hand, since a majority of TF investigations are conducted under the offense of participation in a terrorist organization, TF investigations serve the broader aim of investigating terrorist activities.

Alternative Measures Used Where TF Conviction is not Possible (e.g. Disruption)

643. When the authorities cannot secure a conviction, several options are available to disrupt TF activities. Prosecutors often choose alternative prosecution measures for which the evidence standard is lower, such as participation in a terrorist organization. Confiscation of assets of a person who cannot be prosecuted is also a possible alternative measure under sect. 20 and 20b. (2a) StGB, but no such case was reported. Administrative measures include travel bans, administrative dissolution of NPOs, personal measures such as enrolment in de-radicalization programs and obligation to appear. There is no evidence though that those measures have been used in TF cases.

644. The most common measure taken by DSN is to address the case to the tax authorities to ascertain the situation of a legal entity in terms of tax returns and to ensure follow-up by the tax authority as part of its monitoring and oversight of the NPO sector. There is no indication that other measures were implemented.

TERRORIST FINANCING, PREVENTIVE MEASURES, AND FINANCIAL SANCTIONS

The relevant Immediate Outcomes considered and assessed in this chapter is IO.10. The Recommendations relevant for the assessment of effectiveness under this chapter are R. 1, 4, 6 and 8 and elements of R.14, 15, 16, 26, 30, 31, 32, 35, 37, 38 and 40.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. Until mid-June 2025, Austria did not implement TFS under UNSCRs 1267/1989/2253 and the 1988 regime without delay, as it relied exclusively on transpositions at EU level. On February 11, 2025, Austria adopted a new sanctions law which provides for a bridging mechanism to mitigate delays in EU transpositions. This new mechanism was for the first time successfully used to implement the UN designation under UNSCR 1267 of June 16, 2025.
- b. Since early 2025, Austria informs FIs and VASPs via e-mail communication of new designations. The absence of a communication mechanism to promptly inform insurance intermediaries and a majority of DNFBPs of new designations during quasi the entire period under review constitutes an important shortcoming which has hindered these OEs' effective implementation of TF-related TFS.
- c. Despite its TF risk exposure, Austria is not using TFS as a tool to combat TF and prevent terrorism.
- d. Austria has a high understanding of TF risks in its NPO sector and has very strong engagement with the NPO sector. Austria's framework for monitoring NPOs is solid and largely mitigates TF risks in line with the country's TF risk exposure and without disrupting legitimate activities.
- e. FIs, VASPs, tax advisors undertaking TCSP services, public accountants, notaries, and, to some extent, lawyers understand and implement TF-TFS obligations. Real estate agents, other TCSPs, and DPMS do not properly understand these obligations as they either consider them to be risk-based or not applicable to their business.
- f. OeNB conducted limited monitoring of the FIs under its supervision for implementation of TF-TFS until mid-2022 when the frequency and scope of supervision significantly improved in response to other autonomous EU sanctions. OeNB issued comprehensive guidance and frequently engages in awareness-raising initiatives. While the DSN is currently the designated competent authority for TFS oversight of by VASPs, insurance intermediaries, ISPs, asset managers, and all categories of DNFBPs, it has not monitored these OEs' implementation of

TF-TFS obligations, nor did it issue guidance to assist these OEs with the implementation of TFS.¹⁰⁴

- g. Oversight for TFS will move from the OeNB to the FMA on January 1, 2026. On the same date, oversight for TFS of VASPs will move from the DSN to the FMA. These are wise changes considering that the FMA is the existing supervisor for the financial and VASP sectors and its overall sound understanding of ML/TF risks in these sectors (IO.3). As of January 1, 2026, DSN will continue to be responsible for TFS oversight of insurance intermediaries and DNFBPs.

Key Recommended Actions (KRAs)

- a. Austria should, when relevant, consider using domestic designations under UNSCR 1373 as a preventive or disruptive tool to fight TF and consider such mechanism as an integral part of its CFT strategies.
- b. In line with FATF requirements, the FMA should effectively monitor OEs under its supervision for compliance with TF-TFS obligations with a particular focus on VASPs and by giving priority to higher risk entities. It should issue targeted guidance for VASPs to assist them with the implementation of TF-related TFS and the identification and mitigation of TF risks. The FMA should also ensure effective remediation of identified deficiencies, including by sanctioning cases of non-compliance.
- c. In line with FATF requirements, the DSN should effectively monitor the OEs under its supervision for compliance with TF-TFS obligations with a particular focus on the following sectors: real estate agents, TCSPs (other than tax advisors undertaking TCSP services), DPMS and lawyers, and by giving priority to higher risk entities. The DSN, in cooperation with competent DNFBP supervisors, should issue targeted guidance for all DNFBPs to assist them with the implementation of their TF-related TFS and the identification and mitigation of TF risks. The DSN and DNFBP supervisors should also ensure effective remediation of identified deficiencies, including by sanctioning cases of non-compliance.

Other Recommended Actions

- a. Austria should demonstrate continued implementation of UNSCR 1267 without delay.
- b. Austria should ensure that all OEs are notified immediately of new designations under UNSCRs 1267 and 1373.
- c. To enable competent authorities to develop a better and continued understanding of TF risks for supervisory purposes as set out in KRA b) and KRA c), they should systematically

¹⁰⁴ On September 16, 2025, DSN published high-level guidance on implementation of financial sanctions, including but not limited to TFS, on its public website.

identify and assess the risks of potential breaches, non-implementation or evasion of TF-related TFS. This assessment should be based on a contextual analysis of the different methods, trends and complex typologies related to non-compliance with, non-application of, or evasion of TFS using risk factors, data, and other information. The DSN should ensure to make such information available to the competent supervisory authorities.

- d. The FMA as the new competent authority for supervising and enforcing FIs' and VASPs' compliance with TFS obligations should further increase resources to a sufficient level to integrate TFS into existing AML/CFT supervisory measures for all supervised entities commensurate with their risks.

Overall Conclusions on IO.10

645. Austria has a high understanding of NPOs' exposure to TF risks and its legal and operational framework for monitoring NPOs is solid and largely mitigates TF risks without disrupting legitimate activities.

646. Austria recently strengthened its legal framework to ensure implementation of TFS without delay and allow for domestic designations under UNSCR 1373. Despite these major improvements, Austria did not implement UNSCR 1267 without delay during the period under review because it exclusively relied on EU transpositions, except once in June 2025 when it implemented its newly created bridging mechanism. In addition, Austria has not yet used TFS as a preventive or disruptive tool to mitigate TF risks, which is not in line with its TF risk exposure.

647. While FIs, VASPs, tax advisors undertaking TCSP services, public accountants, notaries and, to some extent, lawyers understand and implement their TFS obligations, insurance intermediaries, real estate agents, other TCSPs, and DPMS do generally not adequately implement TFS, with some of them applying a risk-based approach to TFS or considering them not relevant for their business. These important deficiencies in TF-TFS implementation are heavily weighted.

648. The OeNB conducted limited monitoring of supervised entities until mid-2022 (thus during half of the period under review), when the frequency and scope of its TFS supervision significantly improved. These improvements were driven by the EU sanctions against the Russian Federation rather than implementation of TFS. During the review period, VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs were not subject to TF-TFS supervision by the DSN, their designated supervisor for implementation of TFS, a deficiency which also carries more weight, especially because of VASPs' exposure to TF risks.

649. Austria is rated as having a Moderate level of effectiveness for IO.10.

B. Immediate Outcome 10

Implementation of TF-Related Targeted Financial Sanctions Without Delay

Implementation of UNSCR 1267 and Relevant Successor Resolution

650. Until mid-June 2025, Austria relied exclusively on directly applicable EU Council Decisions and Regulations for implementation of UNSCR 1267. On February 11, 2025, Austria adopted a new sanctions law (i.e., *Sanktionengesetz 2024*, hereafter SanktG 2024) which provides for a domestic bridging mechanism to mitigate delays in transposition of designations under UNSCR 1267 at EU level. The authorities established a process for implementation of the bridging mechanism, including an on-call duty of the BMEIA, the DSN and the BMF on weekends and holidays. This new mechanism was first used to implement without delay a UNSCR 1267 designation on June 16, 2025.

651. At the time of the onsite visit and in line with the SanktG 2024, FIs were required to report any assets frozen or actions taken to OeNB, and one FI reported an amount of EUR 250. The SanktG 2024 does not specify that VASPs, insurance intermediaries, ISPs, asset managers and DNFBPs should report to DSN (criterion 6.5), nor had any other legal document or guidance clarifying the reporting obligation been issued.¹⁰⁵ These categories of OEs were generally unaware that DSN is their relevant competent authority, and it remains unclear whether they identified any assets under UNSCR 1267.¹⁰⁶

Implementation of UNSCR 1373

652. Austria's new sanctions act also establishes a mechanism for domestic designations under UNSCR 1373. At the time of the onsite visit, Austria had not yet made use of domestic designations as a preventive or disruptive tool to fight TF.

653. Austria implements designations pursuant to UNSCR 1373 at EU level without delay. At the time of the onsite visit, the EU terrorism sanctions list (under CP 2001/931—CR 2580/2001) included 14 individuals and 22 entities, and the autonomous EU-regime for ISIL and Al-Qaida (under CD 2016/1693—CR 2016/1686) included 15 individuals and 7 entities. The obligation to freeze funds takes effect immediately upon the publication of the designations in the EU Official Journal. In 2019, one FI froze an amount of EUR 6 722 related to a directly applicable EU designation under UNSCR 1373.

¹⁰⁵ On September 16, 2025, DSN published high-level guidance on implementation of financial sanctions, including but not limited to TFS, on its public website.

¹⁰⁶ As of January 1, 2026, FIs (including VASPs, credit and financial institutions, insurance undertakings, ISPs, and asset managers) are required to report to the FMA.

Designations

654. Since 2002,¹⁰⁷ Austria has neither proposed nor co-sponsored proposals for listings or de-listings under UNSCR 1267 or under the EU UNSCR 1373 regime. The SanktG 2024 assigns authority for formulating proposals for listing and de-listing (R.6), and at the time of the onsite visit, high-level procedures (entitled Disruption Strategy) guiding practical implementation to some extent, including the identification of targets for designation under UNSCR 1267 and UNSCR 1373, were just finalized.

655. Austria has not yet demonstrated that it uses TFS as a tool for mitigating TF risks domestically, which is not aligned with its TF risk exposure. It has not designated individuals and entities under UNSCR 1373 domestically, not on its own motion nor at the request of another country. The authority for domestic designation lies with both the Federal Minister of Finance and the Federal Minister for the Interior who act in agreement with the Federal Minister for European and International Affairs. While the high-level procedures also extend to the identification of targets and designations on Austria's own motion under UNSCR 1373, more detailed documentation guiding the actions to be taken for each step in the domestic designation process were still being drafted. A formalized procedure under which Austria could ask another country to give effect to its own freezing measures under UNSCR 1373 or how Austria would deal with freezing or designation requests from other countries had yet to be developed too.

656. The NCC on Sanctions (hereafter NCC Sanctions) is Austria's mechanism to coordinate implementation of financial sanctions, including TFS. The primary focus of the NCC Sanctions is on preventing the circumvention of other EU sanctions (e.g., against the Russian Federation) and PF-related TFS, rather than on TF-related TFS. The NCC Sanctions is chaired by DSN within the BMI and is comprised of representatives of all federal ministries and competent authorities involved in the implementation of financial sanctions. The activity of the NCC Sanctions significantly increased in 2022 following the introduction of EU sanctions not related to TFS.

Communication of Designations

657. Austria now informs all FIs and VASPs immediately upon designation. Up to early 2025, there was no dedicated communication mechanism for a majority of OEs following designations under UNSCR 1267 and EU designations under UNSCR 1373 beyond the publication of designations in the EU Official Journal and on the EC's website. Since that time, following new designations, OeNB sends an e-mail with a short reference to the relevant designation to the Austrian Economic Chambers (WKÖ), which forwards the e-mail to both FIs and VASPs. The e-mails sent so far contained a short reference to the relevant designations but did not highlight any changes made (addition or removal of names) nor did they remind OEs of their obligations resulting from the changes.

¹⁰⁷ In 2002, Austria co-sponsored the designation of Jemaah Islamiya pursuant to UNSCR 1267.

658. The lack of a corresponding communication mechanism to ensure prompt transmission of information to insurance intermediaries and DNFBPs during quasi the entire review period constituted an impediment for their timely implementation of TFS. The BMJ informs the Austrian Chamber of Civil Law Notaries and the Austrian Bars following new designations, which in turn make the information available to their members, albeit not immediately. Other DNFBPs did not benefit from a dedicated communication mechanism, except on one occasion in June 2025 when they were informed about a new designation within one week following the designation.

Identification and Deprivation of Terrorist Funds or Other Assets

659. Identification of assets has occurred to some extent as FIs froze funds on two occasions for a total amount of EUR 6,972 (EUR 250 under UNSCR 1267 in 2022 and EUR 6,722 related to a directly applicable EU designation under UNSCR 1373 in 2019). There are no statistics related to the number of false positives reported by FIs, neither with OeNB nor at the level of FIs themselves. FIs indicated that they would usually not report false positives to OeNB but rather conduct an extensive examination internally. The low amounts frozen are not entirely consistent with Austria's TF risk and context, including the TF risk exposure of the financial and VASP sectors.

660. The authorities responsible for combating TF recognized that domestic designations under UNSCR 1373 would be an effective tool to manage TF risks in Austria. The new legal framework which allows for such designations and related freezing measures was in force for nearly six months at the end of the onsite visit, but it had not yet been implemented. As mentioned above, Austria is not using TFS as a tool for mitigating TF risks domestically.

661. Austria has seized assets and instrumentalities in TF investigations and used administrative measures (e.g., de-radicalization measures) to deprive assets and instrumentalities in TF investigations. In addition to the significant results achieved in one complex TF case, Austrian authorities demonstrated that they systematically included a focus on tracing the assets and instrumentalities, which resulted in seizures and confiscations of small amounts, in line with TF patterns in Austria (IO.9).

Targeted Application of Focused and Proportionate Mitigation Measures to At-Risk Non-Profit Organizations

Identification of NPOs Corresponding to the FATF Definition

662. As part of its NPO risk assessments in 2024 and 2025, Austria identified around 135,000 legal entities operating in the not-for-profit realm. Most of these entities are small and have the following purposes (in order of importance): sports, arts and culture, social services, education, and research, industry and professional associations (including trade unions), and leisure clubs. Less than one percent has a religious purpose.

663. Out of these 135,000 entities, 1,200 correspond to the FATF definition of NPO (hereafter the NPO sector), and they benefit from around 63 percent (equivalent of just under EUR 650 million) of all donations in Austria. Donations are concentrated in a relatively small group of large, professionally structured and multi-audited NPOs.¹⁰⁸ Seventy-five percent of donations are being used by NPOs for activities in Austria while 25 percent are destined for international aid.

Understanding of Risk and Mitigating Measures

664. Austria demonstrated a high level of understanding of NPOs' exposure to TF risks which was developed through robust NPO risk assessments. The authorities used a very wide range of information sources for the 2024 and 2025 NPO risk assessments to identify the nature of TF risks posed to NPOs, including through the consideration of various TF threat scenarios. Information was collected through direct engagement with NPOs and their umbrella associations, information exchange in the PPP with the NPO sector (PPP NPOs), dedicated questionnaires, lessons learned from TF investigations, findings from risk-based audits of NPOs, including on NPOs' financial flows and risk-mitigating measures, academic research by the Vienna University of Economics and Business, and interaction with competent authorities. Engagement and exchange of information with these stakeholders continued at every stage of the process to ensure qualitative analysis.

665. The nature of TF risks affecting NPOs was identified through the consideration of various TF threat scenarios.¹⁰⁹ In addition to the TF threat scenarios, other factors including but not limited to geographical areas with higher exposure to TF threats,¹¹⁰ the type of activity, with a particular focus on support to ethnic/religious minorities targeted by terrorist groups, the source of funding,¹¹¹ risk mitigation measures, and certification/accreditation by independent third parties and/or donor agencies¹¹² were considered in determining which NPOs could potentially be misused for TF. This led to the identification of a subset of 80 (75 associations and 5 foundations) out of the total of 1,200 NPOs, or 6.7 percent of the NPO sector (and 0.06 percent of the entire not-for-profit sector), as potentially exposed to TF. The overall TF risk of Austria's NPO sector (i.e., the 1,200 NPOs)

¹⁰⁸ In 2023, the 100 largest NPOs received 75.4 percent of all donations made to NPOs. The largest Austrian NPO had a donation volume more than ten times higher than the NPO in sixteenth place and a donation volume more than a hundred times higher than the NPO in one-hundredth place. Source: Fundraising Association Austria, Donation Report 2024, p. 30–31. <https://www.fundraising.at/wp-content/uploads/2024/12/FVA-Spendenbericht-2024.pdf>

¹⁰⁹ Examples of identified TF risks include but are not limited to direct/indirect diversion of aid and extortion, theft, recruitment/infiltration, expropriation, and attempted influencing of procurement.

¹¹⁰ Projects in countries included in the EC's List of High-risk Third Countries and/or the FATF's grey or blacklist, and projects where NPOs themselves identified TF risks. Only a relative minority of NPOs is active in regions with a specific terrorist threat, especially Lebanon, Yemen.

¹¹¹ Funding from institutional donors (including but not limited to the Austrian Development Agency and the European Commission's ECHO program) vs. collection of donations, including through crowdfunding.

¹¹² The Austrian Donation Seal of Approval, ADA accreditation and/or ECHO certification.

was assessed as low, while the TF risk of the 80 NPOs potentially exposed to TF was assessed as medium to high.¹¹³

666. Austria implements sound risk mitigation measures for NPOs, in addition to the implementation of clear policies to promote accountability, integrity and public confidence in the administration and management of NPOs. These risk mitigation measures include targeted risk-based and general tax audits, strong coordination and collaboration between relevant stakeholders, and initiatives focusing on enhancing transparency and risk management of NPOs. The detailed description of these measures below illustrates not only their preventive nature but also demonstrates that they are risk-based and do not disrupt legitimate NPO activities. A majority of NPOs implement a wide range of self-regulatory measures. The most important initiative is the Austrian Donation Seal of Approval, which was introduced in 2001 on the initiative of six NPO umbrella organizations and the Chamber of Tax Advisors and Public Accountants.¹¹⁴ These NPOs undergo an annual audit by independent tax advisors or public accountants, who also verify whether NPOs have measures in place to identify potential misuse for ML and TF.¹¹⁵ Nearly all 1,200 NPOs publish project information and financial statements on their websites to demonstrate sound financial management. Seventy-five percent of all donations are subject to an in-depth audit,¹¹⁶ and 98.9 percent of international project funds are managed by NPOs subject to audits.

Outreach to the Sector and its Understanding of the Risk

667. Austria demonstrates a proactive approach and undertakes sustained outreach to deepen awareness among NPOs about TF risks and mitigation measures. BMF established a PPP NPOs involving competent authorities, the NPO sector and its umbrella organizations, and academia. In 2023 and 2024, the PPP NPOs met on seven occasions with written exchanges in between meetings. During the same period, 10 targeted outreach events were organized, and topics for discussion¹¹⁷ were identified through consultation with NPOs and their umbrella associations. The BMF also organizes regular workshops to raise further awareness and has prioritised the 80 NPOs potentially exposed to TF for these activities. Moreover, Austria published extensive

¹¹³ NPOs with an Austrian Donation Seal of Approval and/or an ADA accreditation and/or ECHO certification were assigned a medium TF risk while NPOs operating without such approval, accreditation or certification were assigned a medium to high TF risk.

¹¹⁴ At the time of onsite visit, 274 NPOs were authorized to use the Donation Seal of Approval.

¹¹⁵ This includes verification of the accuracy of accounts, internal control system, use of donations in accordance with articles of association and for the intended purpose, compliance with the principles of "economy" and "efficiency," organization's financial policy on the use of donations and human resources.

¹¹⁶ Fundraising Association Austria. (2024), p. 32. 2024 Donation Report. Retrieved 20 March 2025, from <https://www.fundraising.at/wp-content/uploads/2024/12/FVA-Spendenbericht-2024.pdf>

¹¹⁷ Topics included among others responding to the NPO questionnaire, efforts to protect NPOs against abuse for TF purposes and mitigation of unintended consequences, TF risk factors and indicators of suspicious transactions involving NPOs, revision of R.8, NPO risk assessment, the use of formal financial systems and applicable legal requirements when transporting cash, developing specific country TF risk fact sheets.

information on the BMF website setting out how NPOs can mitigate the risk of being misused for terrorist purposes.

668. NPOs and umbrella organizations demonstrated a very comprehensive understanding of TF risks. They confirmed that there is an excellent dialogue with competent authorities and particularly welcomed the engagement through the PPP NPOs and outreach events. They reported on their risk mitigation measures in place, such as stricter controls and reporting for high-risk projects, checks against sanctions lists, training for staff, policies on the prevention of TF, and strengthened measures for partner organizations. The NPO umbrella organizations frequently engage with their members, including through regular workshops on CFT matters, and have also specifically targeted those NPOs with higher exposure to TF in its outreach.

Oversight and Action Taken

669. Austria's Tax Authority, the competent authority for the risk-based oversight of the NPO sector, demonstrated an excellent understanding of NPOs' exposure to TF risks. TF risks are integrated in the criteria for identification of NPOs for TF-targeted inspections, with NPOs being placed in four risk categories depending on their level of TF risks (i.e., low, medium, high, and very high). Of the 80 NPOs potentially exposed to TF, 17 are classified as very high risk, 20 as high risk, 40 as medium risk, and 3 as low risk. The risk classification is updated annually based on NPOs' questionnaire responses and findings of TF-targeted inspections and general tax audits.

670. In 2024, in application of the risk-based approach, the tax authority conducted targeted inspections of 10 smaller NPOs with less developed risk mitigation measures (i.e., 4 very high risk, 4 high risk, and 2 medium risk). In 2025, an additional 10 NPOs classified as very high risk and high risk were scheduled for inspection, and planning of additional risk-based audits for 2026 was ongoing. When tax auditors identify suspicions of ML/TF, they are required to submit an STR with A-FIU. The authorities presented a few case studies illustrating successful investigations by the DSN, including one complex financial investigation, initiated following an A-FIU dissemination informed by an STR from the tax authority.

671. A-FIU, LEAs, and prosecutors showed a comprehensive understanding of NPOs' TF exposure. During the period under review, 36 TF investigations were conducted involving 34 domestic NPOs. These investigations were initiated following STR information forwarded by the A-FIU to the DSN (IO.6). The investigations revealed actual links to TF but none of them resulted in prosecutions (IO.9).

672. When following a TF investigation, there is insufficient evidence of the misuse of NPOs for TF purposes, the DSN systematically reports the case to the tax authority for action and further follow-up as part of its risk-based supervision of the NPO sector. The DSN also developed a Strategy for Countering Terrorist Financing by Associations to steer its activities focusing on the identification of those NPOs that facilitate TF. The implementation of this Strategy has produced good results (IO.9).

FIIs, VASPs and DNFBPs Understanding of and Compliance with Obligations

673. FIs, VASPs, tax advisors undertaking TCSP services, public accountants, notaries and, to some extent, lawyers demonstrated that they understand and implement their TFS obligations. They routinely screen their customers against UN, EU, and other sanctions lists at onboarding and on an ongoing basis using software solutions. According to the FMA, which supervises TF preventive measures of FIs and VASPs, over 80 percent of FIs and VASPs and 99 percent of CIs implement automated screening against sanctions lists, and 97 percent of CIs screen at least once a day. OEs using software were confident that these tools are usually updated one day after designations are made, but do not verify this. The identification of indirect links, close associations and screening of external parties to a transaction presents some challenges, which might have a negative impact on their ability to identify assets of designated persons.

674. Two FIs had identified hits with TF-related TFS, and a few others had practical experience in freezing funds and filing reports with the OeNB in the context of other EU sanctions regimes. FIs had very limited interaction with the OeNB regarding false positives while VASPs requested and obtained advice from the OeNB on a few occasions, even though the OeNB has no competence over VASPs.¹¹⁸ The low amounts frozen are not entirely consistent with Austria's TF risk and context, including the TF risk exposure of the financial and VASP sectors.

675. Except for tax advisors undertaking TCSP services, public accountants, notaries and to some extent lawyers, DNFBPs did not demonstrate that they properly understand and implement their TFS obligations. Real estate agents, other TCSPs, and DPMS either consider that TFS can be implemented on a risk-sensitive basis or are simply not applicable to their business. These DNFBPs and insurance intermediaries undertake sanctions screening at onboarding and periodically (from weekly to annually), with some of them using software and others conducting manual checks. Notaries benefit from the *Notartreuhandbank's* (NTB)¹¹⁹ daily automated checks against compliance software, and the NTB would immediately inform them about any hits.

676. The poor understanding of TFS obligations by insurance intermediaries and certain categories of DNFBPs is due to the absence of targeted guidance¹²⁰ and TFS-related supervision (see below). For instance, these DNFBPs and insurance intermediaries were generally unaware of the role of the DSN in Austria's TFS framework while the DSN is the designated authority for TFS-supervision of these sectors. Shortcomings in implementation of CDD measures by certain DNFBPs (IO.4) also have an impact on the effective application of TFS.

¹¹⁸ As of January 1, 2026, FIs (including VASPs, credit and financial institutions, insurance undertakings, investment service providers, and asset managers) should report frozen funds and other actions taken in application of TFS to FMA. Their implementation of TFS will also be supervised by FMA.

¹¹⁹ NTB acts sector-exclusive escrow bank for notaries. For more details, see IO.3/4.

¹²⁰ On September 16, 2025, DSN published high-level guidance on implementation of financial sanctions, including but not limited to TFS, on its public website.

Competent Authorities Monitoring and Ensuring Compliance with TF-Related Targeted Financial Sanctions

677. At the time of the onsite visit and in line with the SanktG 2024, Austria had two competent authorities for monitoring and ensuring compliance with TF-related TFS, i.e., the OeNB for FIs (except ISPs and asset managers) and the DSN for VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs. As of January 1, 2026, the FMA will become the competent supervisor for TFS implementation by FIs and VASPs.¹²¹ Following the adoption of the SanktG 2024 in February 2025, the FMA and the OeNB have been coordinating their activities and had scheduled joint inspections starting in July 2025 to ensure smooth transition.

FIs (Except ISPs and Asset Managers)

678. The OeNB's supervision of 443 FIs does not distinguish between TF- and PF-related TFS. The analysis and conclusions below therefore equally apply to section 10.6 on PF-related TFS.

679. A dedicated team within the OeNB's Legal Department—i.e., the sanctions team—is responsible for supervision of TFS implementation by FIs (except ISPs and asset managers). This team is composed of 13 staff members, who are among other duties within the competence of the OeNB's Legal Department, also responsible for handling sanctions matters. It consists of three sub-teams, i.e., onsite measures team, reporting obligations team, and general tasks and services team. The onsite measures team is supported by external audit firms which conduct full-scope onsite inspections of FIs on behalf of the OeNB. The OeNB issued general instructions to guide onsite and offsite supervision activities.

680. Since 2022, the OeNB applies a risk-based approach to select supervised FIs for onsite inspections, but it could not articulate a solid risk understanding of TFS supervision. The OeNB does not distinguish between TF and PF related TFS supervision and does therefore not adequately consider the relevant risk, including that of potential breaches, non-implementation or evasion of TFS. It considers quarterly collected data on transaction volumes with 39 countries, which are subject to financial sanctions in the broadest sense. Other factors such as transactional values are not considered and information from other sources such as FMA and DSN is not taken into consideration for the risk calculation either. This results in an overwhelming majority of supervised entities, i.e., 81% being rated as low-risk, 13 % as moderate, 5% as elevated, and less than 1% as high.

681. Prior to mid-2022 and the new autonomous EU sanctions, the OeNB conducted limited supervision, with only three CIs subject to a full-scope inspection in 2020 and four in 2021. Since mid-2022, the frequency and scope of the OeNB's supervision significantly improved. Between mid-2022 and mid-2025, external audit firms conducted a total of 47 full-scope onsite inspections

¹²¹ FMA reported on various measures to prepare for its TFS-related supervisory role, including but not limited to TFS targeted questionnaires for supervised entities and a dedicated assessment of the risks of non-implementation of TFS by CIs to inform its risk-based supervision (i.e., called FMA's Sanctions Heat Map 2025).

under the coordination of the OeNB (45 CIs and 2 PIs). Inspections were driven by the risk profile of supervised entities as understood by the OeNB and equally targeted entities in all four risk categories. They focused on account opening and risk assessment, transaction monitoring and screening, process and procedures for asset freezing, internal control system, employee training, and reporting obligations to the management board. Onsite inspections were supplemented by offsite measures which mainly consist of more in-depth analysis of questionnaire responses.

682. Onsite inspections identified significant and material deficiencies, which were mainly addressed through dedicated follow-up by the OeNB. The most frequently identified deficiencies related to shortcomings in sanctions screening at the time of onboarding and when updating CDD information, in processes to assess the risk of TFS circumvention, in transaction monitoring for TFS (i.e., no sanction screening for domestic payments, no sanction checks on direct debit payments and high thresholds for sanctions checks), and inadequate IT systems for TFS screening (i.e., no regular check of system parameters and resource lists, and no effectiveness tests).

683. The OeNB does not have sanctioning powers¹²² and is required to report sustained breaches of TFS obligations to the public prosecutor (for transactions above EUR 100,000) or to the competent State Police Directorate (for transactions up to EUR 100,000). During the period under review, the OeNB did not identify sustained breaches of TFS obligations.

684. The OeNB provides general information on the implementation of TFS, including comprehensive Q&A and reporting templates, on its website. It also issued dedicated guidance on TFS obligations. The OeNB staff actively contribute to various sector-specific initiatives to raise awareness among credit, financial, and PIs. These initiatives were significantly intensified following new autonomous EU sanctions in 2022 and extended to TFS obligations.

DNFBPs

685. While the SanktG 2024 designates the DSN as the competent authority for monitoring compliance with TFS obligations of VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs, in practice, such monitoring in line with FATF Standards is not taking place. This can be explained by the fact that the DSN is a state security and intelligence service and not a supervisory authority, such as the OeNB, the FMA, and other AML/CFT supervisors. The absence of targeted monitoring of implementation of TF-TFS is reflected in identified shortcomings in implementation by insurance intermediaries and DNFBPs (section 4.3.4).

686. At the time of the onsite visit, the DSN had not yet issued guidance to assist VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs with the implementation of their

¹²² The SanktG 2024 grants FMA the power to impose administrative sanctions for failures to comply with the provisions of the Act as of January 1, 2026.

TFS obligations. DSN's PF-related awareness-raising initiatives (IO.11) contribute to some extent to improving the understanding of and compliance with TF-related TFS.

PROLIFERATION FINANCING FINANCIAL SANCTIONS

The relevant Immediate Outcome considered and assessed in this chapter is IO.11. The Recommendations relevant for the assessment of effectiveness under this chapter are R. 7 and elements of R.1, 2 and 15.

A. Key Findings, Recommended Actions, Conclusion and Rating

Key Findings

- a. The NCC Sanctions is the main formal mechanism to discuss and exchange information on PF policy issues and PF-related TFS implementation aspects. The DSN, the authorities involved in export control, and Customs developed targeted internal strategies to steer their CPF activities, including for the prevention and detection of circumvention of PF-TFS.
- b. The authorities have effective mechanisms in place to exchange information to prevent and investigate circumvention of PF-TFS and frequently engage in both formal and informal cooperation in support of their operational CPF objectives.
- c. The DSN and the authorities involved in export control developed a sound understanding of PF-related TFS evasion risks, including through dedicated internal risk assessments and intelligence reports. These authorities implement effective risk mitigation measures, including targeted controls, to identify and investigate circumvention of PF-related TFS and an inspection regime for export of dual-use goods.
- d. Implementation of PF-related TFS was not without delay during the period under review, as the EU legal system that Austria relied on was not transposing designations under UNSCR 1718 and its successor resolutions without delay. The bridging mechanism to mitigate delays in implementation at EU level described in IO.10 should also allow for implementation without delay of future designations under UNSCR 1718.
- e. Austria did not identify and freeze assets pursuant to UNSCR 1718 during the period under review, which is not consistent with identified PF-related sanctions evasion risks. Since 2020, the authorities stopped the export of sanctioned goods to the Democratic People's Republic of Korea (DPRK) on 12 occasions which resulted in the seizure of cash and sanctioned goods with a total estimated value of EUR 50,000. These cases were subsequently either dismissed by the PPO or settled through a diversion by court.
- f. FIs, VASPs, tax advisors undertaking TCSP services, public accountants, notaries, and to some extent, lawyers understand and implement PF-TFS obligations. Insurance intermediaries, real

estate agents, other TCSPs, and DPMS do not adequately understand PF-TFS obligations as they either consider them to be risk-based or not relevant for their business.

- g. The OeNB conducted limited monitoring of the FIs under its supervision for implementation of PF-TFS until mid-2022 when the frequency and scope of supervision significantly improved in response to other autonomous EU sanctions. The OeNB issued comprehensive guidance and frequently engages in awareness-raising initiatives. The DSN, which is the other designated supervisor for implementation of TFS, does not monitor the implementation of PF-TFS obligations by VASPs, insurance intermediaries, ISPs, asset managers, and all categories of DNFBPs in line with the requirements of R.7, nor did it, during the period under review, issue any guidance to assist them with implementation of PF-TFS.
- h. Oversight for TFS will move from the OeNB to the FMA on January 1, 2026. On the same date, oversight for TFS of VASPs will move from the DSN to the FMA. These are wise changes considering that the FMA is the existing supervisor for the financial and VASP sectors (IO.3). As of January 1, 2026, The DSN will continue to be responsible for TFS oversight of insurance intermediaries and DNFBPs.

Key Recommended Actions (KRAs)

- a. In line with FATF requirements, the FMA should effectively monitor the OEs under its supervision for compliance with PF-TFS obligations with a particular focus on VASPs and by giving priority to higher risk entities. It should also ensure effective remediation of identified deficiencies, including by sanctioning cases of non-compliance.
- b. In line with FATF requirements, the DSN should effectively monitor the OEs under its supervision for compliance with PF-TFS obligations with a particular focus on the following sectors: real estate agents, TCSPs (other than tax advisors undertaking TCSP services), DPMS, and lawyers, and by giving priority to higher risk entities. The DSN in cooperation with competent DNFBP supervisors should issue targeted guidance for all DNFBPs to assist them with the implementation of their PF-related TFS and the identification and mitigation of PF-related sanctions evasion risks. The DSN and competent DNFBP supervisors should also ensure effective remediation of identified deficiencies, including by sanctioning cases of non-compliance.
- c. Austria should provide targeted guidance to VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs to assist them with the implementation of their PF-related TFS.

Other Recommended Actions

- a. Austria should demonstrate continued implementation of UNSCR 1718 and its successor resolutions without delay.

- b. Austria should ensure that all OEs are notified immediately of new designations under 1718 and its successor resolutions.
- c. To enable competent authorities to develop a better and continued understanding of PF risks for supervisory purposes as set out in KRA a) and KRA b), they should systematically identify and assess the risks of potential breaches, non-implementation or evasion of PF-related TFS. This assessment should be based on a contextual analysis of the different methods, trends and complex typologies related to non-compliance with, non-application of or evasion of TFS using risk factors, data, and other information. The DSN and authorities involved in export control should ensure to make such information available to the competent supervisory authorities.
- d. The FMA as the new competent authority for supervising and enforcing FIs' and VASPs' compliance with TFS obligations should continue to deepen its PF risk understanding, by including all supervised sectors in its risk assessment, including data from supervised entities on (sub)sectoral PF vulnerabilities in its risk assessment tool, systematically collecting sufficient data on implemented mitigating measures and controls from OEs and further increase resources to a sufficient level to integrate TFS into existing AML/CFT supervisory measures for all supervised entities commensurate with their risks.

Overall Conclusions on IO.11

687. Austria has effective coordination and cooperation mechanisms in place, both at policy and operational level, to combat PF.

688. The DSN and authorities involved in export control have a sound understanding of PF-related TFS evasion and implement targeted internal strategies to steer their operational CPF activities. The assessment of PF sanctions evasion risks included in the publicly available NRA report is far less comprehensive, which limits the usefulness of the NRA report for OEs in building a more comprehensive understanding of PF-related sanctions evasion.

689. During the period under review, no funds or assets were identified and frozen in application of UNSCR 1718, which is not consistent with Austria's risk and context. The authorities demonstrated that they effectively stopped the export of sanctioned goods to DPRK on 12 occasions even though these cases were subsequently dismissed by the PPO or settled through a diversion by court.

690. Austria's implementation of UNSCR 1718 was not without delay during the period under review because the EU legal system on which Austria relied was not transposing designation under UNSCR 1718 and its successor resolutions without delay.

691. FIs, VASPs, tax advisors undertaking TCSP services, public accountants, notaries and to some extent, lawyers understand and implement PF-TFS pursuant to UNSCR 1718. CIs conduct additional PF-specific screening and implement more extensive compliance checks to detect evasion

of PF-TFS. Insurance intermediaries, real estate agents, other TCSPs, and DPMS generally do not adequately implement PF-related TFS, because they either apply a risk-based approach to TFS implementation or consider them not relevant for their business.

692. Supervision of PF-TFS implementation by FIs was limited until mid-2022 (and thus during half of the review period) while supervision of PF-TFS implementation by VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs in line with R.7 is yet to take place. These deficiencies are heavily weighted considering Austria's overall exposure to PF sanctions evasion risks.

693. The lack of adequate implementation by some categories of DNFBPs and the limitation in supervision for both the DNFBP and VASPs sectors are also heavily weighted considering their vulnerabilities to PF sanctions evasion schemes and Austria's exposure to circumvention of PF-TFS.

694. Austria is rated as having a Moderate level of effectiveness for IO.11.

B. Immediate Outcome 11

Contextual factors

695. Austria faces important risks of PF sanction evasion. The Vienna Region is a global hub for international diplomacy hosting many key international organizations, including the UN, OPEC, and OSCE. Austria has long-standing diplomatic relations with the DPRK (since 1974), and the jurisdiction has a significant diplomatic presence in Austria with one of its largest embassies in Europe in the Austrian capital. Socio-economic ties between Austria and the DPRK are nevertheless quasi non-existent. As per the 2025 NRA, espionage agents of the DPRK regime continue to consider Austria as an attractive location for the coordination of PF sanctions evasion. One of the main typologies identified consists of the procurement of luxury goods, which are transferred to the DPRK via diplomatic mail or diplomatic baggage. The authorities describe this situation as problematic and challenging. In addition, Austria has many small- and medium-sized enterprises manufacturing dual-use goods that the DPRK would potentially be interested in procuring, and is an international financial center, increasing its exposure to PF.

696. The DSN is Austria's state security and intelligence service responsible for the detection and investigation of circumvention of PF-related TFS and other sanctions. In addition to the DSN, the export control department in the BMWET, Customs, the OeNB, and the FMA also play a key role.

697. Austria's legal and operational framework for implementation of PF-related TFS pursuant to UNSCR 1718 and its successor resolutions is the same as for TF-related TFS. To the extent possible, the analysis of IO.11 therefore cross-references IO.10.

Competent Authorities Co-operation and Coordination to Combat PF Financing

Co-operation and Co-ordination to Develop and Implement Policy

698. Austria follows a whole-of-government approach to CPF, non-proliferation, disarmament, and export control issues. The main formal body for CPF coordination and cooperation is the NCC Sanctions, which serves as a forum to discuss implementation and potential evasion of financial sanctions, including PF-related TFS and broader sanctions policy issues.¹²³ It is chaired by the DSN and includes representatives from the key competent authorities mentioned above, and members from the A-FIU; the Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMIMI); the Telecommunications Office in BMF; and the Federal Chancellery. The activity of the NCC Sanctions significantly increased in 2022 after the introduction of EU sanctions against the Russian Federation. The NCC Sanctions generally meets every two months and, on an ad hoc basis. Between March 2022 and June 2025, the Committee convened 21 times and discussions were mostly focused on the autonomous EU sanctions. Sanctions pursuant to UNSCR 1718 were discussed on three occasions.

699. Austria does not have a dedicated national CPF strategy or national CPF policy documents. DSN and export control and Customs authorities developed and implement targeted internal strategies to steer their operational CPF activities.

Co-operation and, Where Appropriate, Co-ordination for Operational Purposes

700. In addition to the NCC Sanctions coordination mechanism, there is extensive operational coordination and cooperation between the DSN, the BMWET, and Customs on the export of dual use goods. This consists of regular meetings and extensive information exchanges. The DSN also holds regular and ad hoc coordination meetings with other national competent authorities, Europol, and international counterparts to exchange information on specific operational cases and general trends in PF-related sanctions evasion. There is very close cooperation between the BMI and the DSN and the Beneficial Ownership Registry authority and between the DSN and the A-FIU (IO.5). Concrete examples demonstrating effective operational cooperation to support (joint) complex financial investigations identifying PF sanctions evasion schemes, including but not limited to the DPRK, were presented.

701. The DSN coordinates inter-ministerial CPF workshops and the annual non-proliferation roundtable for competent authorities involved in CPF. These initiatives allow for the exchange of information on PF and PF sanctions evasion,¹²⁴ as well as their prevention and detection. Competent authorities also participate in various PPPs which facilitate the exchange of interdisciplinary insights

¹²³ For instance, the NCC Sanctions coordinated the drafting of the SanctG 2024 and related practical changes in implementation, such as the designation of the FMA as the competent supervisor for TFS implementation by FIs and VASPs. These significant changes will enter into force on January 1, 2026.

¹²⁴ Including but not limited to TFS.

with the private sector, including on the implementation of PF-related TFS (IO.1). Information on PF sanctions evasion schemes exchanged with OEs remains however high-level due to its sensitive nature.

Understanding and Mitigating the Risk of Breach, Non-Implementation or Evasion of PF-Related Targeted Financial Sanctions

702. The DSN and the authorities involved in export control demonstrated a sound understanding of PF-related TFS evasion. The DSN develops various confidential internal reports, including detailed assessments of Austria's exposure to proliferation activities from high-risk countries and associated procurement methods. These documents, which are mainly based on intelligence and investigations, set out country profiles and contain details on country-specific PF risks, including the evasion of TFS and other financial sanctions. The DSN also publishes annual Reports on the Protection of the Constitution, which contain a dedicated chapter on proliferation. These reports summarize the development of global and regional proliferation threats, identify high-risk countries for sanctions evasion, and give a high-level description of typologies and cases related to dual-use goods supplied through Austria.

703. The 2025 NRA also addresses PF sanctions evasion, including but not limited to UNSCR 1718, but due to the sensitive nature of the topic, the description of relevant threats and methods is very short and high-level, and the analysis does not extend to key vulnerabilities that may allow these threats to materialize in Austria. In relation to the DPRK, the NRA identifies the following PF sanctions evasion threats: financing the purchase of luxury goods (see above), raising funds through foreign exchange, concealment of legal entities through front companies and straw men,¹²⁵ financing the purchase of dual-use goods, financing the acquisition of proliferation-sensitive goods.

704. The conclusions on inherent PF sanctions evasion risks faced by individual categories of FIs and DNFBPs are not fully consistent with the main sanctions evasion threats. In addition, in reaching conclusions on residual risks faced by the various types of OEs, the effectiveness of risk mitigation measures¹²⁶ is given too much weight considering the findings on implementation of PF-related TFS and related supervision below. This limits the usefulness of the NRA report for OEs to build a more comprehensive understanding of PF-related sanctions evasion.

705. To expand its understanding of PF-risks in the financial sector and in preparation of its TFS supervisory activities starting in 2026, the FMA assessed the risk of non-implementation of PF-related TFS by CIs. To inform this assessment, the FMA collected information from

¹²⁵ The authorities clarified that identified legal entities were foreign entities with complex ownership and control structures and the misuse of domestically created legal entities had not been observed.

¹²⁶ Supervision of implementation of PF-related TFS and the recently introduced requirements for OEs to extend the scope of internal policies and procedures to CPF.

supervised CIs through a questionnaire, including questions specifically focusing on PF.¹²⁷ The collected information was supplemented with the FMA's findings from on- and offsite supervision of CIs as well as external information obtained from the OeNB on transaction data. The FMA's assessment is comprehensive and contains an overview of PF threats, considers a wide range of factors to assess vulnerabilities and gives a detailed description of mitigation measures in place. Each CI is subsequently placed in one of the four risk categories, i.e., high (1.17 percent of the 435 CIs), elevated (31.47 percent), medium (65.73 percent), and low (1.63 percent). The risk matrix will be used to prioritize CIs for the FMA's PF-related TFS supervision.

706. Austria has various mitigation measures in place to address the risks of PF-related sanctions evasion. A first example relates to the effective control measures to identify possible cases of circumvention of PF-related TFS, including licensing and an inspection regime for export of dual-use goods, as implemented by the export control and customs authorities. The DSN's measures to prevent, detect, and investigate circumvention of PF-related sanctions evasion, including through the effective use of its wide range of intelligence gathering and investigative powers (see below), is another example. In addition, supervision of implementation of PF-related TFS also constitutes a mitigation measure, even though overall, major improvements in TFS supervision are required (see below).

Implementation of PF-Related Targeted Financial Sanctions Without Delay

707. During the period under review, Austria did not implement PF-related TFS without delay as it relied solely on the EU for implementing UNSCR 1718 and successor resolutions. The bridging mechanism to mitigate EU delays described in IO.10 should also allow for implementation without delay of future designations under UNSCR 1718.¹²⁸

708. Austria has yet to propose a listing to the UN pursuant to UNSCR 1718 and, during the reporting period, no funds or assets in relation to this Resolution were identified and frozen. This is not consistent with Austria's identified PF risks set out above.

Identification of Assets and Funds Held by Designated Persons/Entities/Those Acting on Their Behalf and Prohibitions

Identifying Funds or Assets Held by Designated Persons/Entities/Persons Acting on Their Behalf or at Their Direction

¹²⁷ Questions included but are not limited to CIs' exposure to PF risks through foreign trade and export financing activity, business relationships with customers active in PF sensitive sectors, business relationships with ties with DPRK and Iran, the volume of assets and transactions with these jurisdictions, the verification of customer data against PF sanctions lists (e.g., which lists are used, how monitoring takes place, the frequency of monitoring).

¹²⁸ Austria applied the bridging mechanism within minutes after the UNSC issued the snapback mechanism for Iran. This is for illustration purposes only because outside the scope of IO.11 as assessed at the time of the onsite visit.

709. Austria has frozen a total amount of EUR 273,963 pursuant to UNSCR 1718 on one occasion in 2009. Since that time, no additional assets were identified and frozen in relation to this Resolution. This is not consistent with Austria's identified PF risks.

710. As a national security and intelligence service, the DSN has adequate intelligence gathering and investigative powers. It employs both preventive and investigative measures to combat circumvention of PF-related TFS.

711. With a view to detect PF-related activities, Austria has an inspection regime for the export of dual-use goods. In application of this regime, the DSN and Customs stopped the export of sanctioned goods to DPRK on 12 occasions since 2020, and relevant goods and assets for a total estimated value of EUR 50,000 were seized. These cases were subsequently dismissed by the PPO or settled through a diversion by court.

712. The DSN's systematic screening of data included in the company, beneficial ownership, land, and account registers against designations pursuant to UNSCR 1718 is a pertinent measure to identify sanctions evasion. This screening has not yet identified links to persons or entities designated under UNSCR 1718. Any matches with the UNSCR 1718 sanctions list would be reported to relevant local courts which are responsible for issuing freezing orders, just as DSN did for 21 cases related to autonomous EU sanctions. The Beneficial Ownership Registry Authority screens the data included in the Beneficial Ownership Register against UN and EU sanctions lists upon registration of a legal entity, when changes in beneficial ownership information and annual reports are filed, and, more generally, on a weekly basis.

713. The DSN has the capacity to investigate complex PF-related sanctions evasion schemes. Since 2020, in addition to the 12 cases mentioned above, the DSN reported a total of 49 cases because of circumvention of financial sanctions to the PPO. These 49 cases were mainly related to UNSCR 2231 (2015). Although with no direct impact on effectiveness under IO.11 as assessed at the time of the onsite visit, these cases demonstrate that the DSN was able to identify, trace, and freeze funds and other assets for the benefit of persons and entities engaged in proliferation of WMD or designated under other UN sanctions regimes, including through very effective domestic and international cooperation, extensive use of financial intelligence (including information from the beneficial ownership register) and comprehensive financial flow analysis. Concrete examples demonstrating complex financial investigations identifying PF sanctions evasion schemes, including but not limited to the DPRK, were presented during the onsite visit.

FIs, VASPs and DNFBPs Understanding of and Compliance with Obligations

714. FIs, VASPs, tax advisors undertaking TCSP services, public accountants, notaries and, to some extent, lawyers demonstrated that they understand their TFS obligations and implement them without delay (IO.10). They screen against sanctions lists at onboarding and FIs and VASPs also on an ongoing basis (usually daily) using software solutions. None of the interviewed entities had identified funds or assets owned or controlled by persons and entities designated under UNSCR 1718, which is not consistent with Austria's PF risk and context.

715. Around 93 percent of CIs have more sophisticated measures in place to detect sanctions evasion and complement name screening with other PF-specific screening measures. These measures include, but are not limited to, screening of all inbound and outbound cross-border payments against key words related to PF (e.g., dual use or luxury goods). A few larger CIs with trade finance activities, which by the nature of their activities are more exposed to PF sanctions evasion risks, developed internal lists¹²⁹ for additional screening on a risk-sensitive basis. These CIs also conduct more extensive compliance checks, including but not limited to the application of measures to Know Your Customer's Customer (KYCC), analysis of export licenses, and verification of invoices and contracts to detect inconsistencies in transaction behavior.

716. End 2024, Austria further strengthened the preventive measures for all OEs by extending them to PF internal control measures and business risk assessments. At the time of the onsite visit, implementation of these measures, which should support compliance with PF-related TFS and limit TFS circumvention, was still at a nascent stage.

717. The findings on implementation of TFS by insurance intermediaries, real estate agents, other TCSPs, and DPMS as described in the analysis of IO.10 equally apply to IO.11. These include negative effects of shortcomings in the implementation of CDD measures by DNFBPs.

11.6. Competent Authorities Monitoring and Ensuring Compliance with PF-Related Targeted Financial Sanctions

FIs

718. As described in IO.10, the OeNB's supervision did not distinguish between TF- and PF-related TFS. The findings of IO.10, including identified deficiencies, therefore equally apply to IO.11.

719. Since end 2024, the scope of the FMA's supervision was extended to include supervision of internal risk assessments, strategies, checks and procedures for the prevention of non-implementation and evasion of PF-TFS by FIs and VASPs, consistent with the FATF Recommendations, requiring organizational measures and training that OEs are required to implement. With the extension of the FMA's scope of supervision, the FMA complemented its annual risk assessment questionnaire with PF-related questions (see above), included specific PF risk factors in its RAT, conducted a PF market analysis, monitored observances of these rules and issued guidance on a dedicated homepage.

¹²⁹ These lists include information on proliferation-sensitive goods, results of media research and internal investigations, and external alerts (e.g., FIU notices).

VASPs and DNFBPs

720. As described in IO.10, monitoring of compliance with TFS obligations by VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs in line with the FATF Standard does not take place, nor did these OEs benefit from TFS-related guidance.¹³⁰

721. The DSN nevertheless engages with the OEs under its supervision on TFS to some extent. Considering Austria's strategically important industrial manufacturing with many companies producing proliferation-sensitive goods, the DSN reaches out to companies which it identifies as being vulnerable to threats of espionage and proliferation, as well as their service providers (i.e., FIs, VASPs and DNFBPs). It raises awareness about the application of financial sanctions, sanctions evasion, and related legal consequences (i.e., DSN's preventive measures). While these preventive measures focus both on sanctions pursuant to UNSCR 1718 and other EU sanctions regimes, the 260 monitoring and awareness-raising activities conducted between mid-2022 and mid-2025 have been mainly driven by autonomous EU sanctions. Around 30 percent of these activities targeted VASPs and DNFBPs.

¹³⁰ On September 16, 2025, DSN published high-level guidance for the implementation of financial sanctions, including but not limited to TFS, on its website.

Annex I. Technical Compliance¹

- 1. This section provides detailed analysis of the level of compliance with the FATF 40 Recommendations in their numerical order.** It does not include descriptive text on the country situation or risks and is limited to the analysis of technical criteria for each Recommendation. It should be read in conjunction with the Mutual Evaluation Report.
- 2. This technical compliance covers areas where the country has made legal, regulatory or operational framework changes since its last mutual evaluation (dated 2016) (or follow-up reports with technical compliance re-ratings (dated 2017, and 2018) and areas where there has been a change in the FATF Standards for which the country has not previously been assessed.** The reassessed areas are clearly identified under each heading.
- 3. For Recommendations not under review, pre-existing information from the country's most recent assessments is included.** Such Recommendations are marked with a footnote cross-referencing the date and source of the information (i.e. the country's most recent mutual evaluation or follow-up reports with technical compliance re-ratings).

Recommendation 1—Assessing Risks and Applying a Risk-Based Approach

- 4. Recommendation 1 was rated partially compliant in the 2016 MER and re-rated largely compliant in the 2017 Follow-Up Report (FUR).** Minor deficiencies remained due to the facts that—by the time of the 2017 FUR—a new NRA had not yet been developed, due to the absence of obligations for accountants in relation to document-keeping and maintenance of up-to-date risk assessments, and due to the lack of an obligation on casinos to monitor risk management systems.
- 5. R.1 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed.**

Countries' Obligations and Decisions

Assessment of ML/TF risks

Criterion 1.1—

- 6. Austria finalized its first NRA in April 2015, its second NRA in May 2021, and its third NRA in May 2025.** The 2025 NRA covers ML and TF elements for all risk areas analyzed, but some of the sectoral risk assessments are silent on PF (i.e., the sectoral risk assessment of means of payment and financial transfer systems and VASPs). The NRA process is led by the NCC (Art. 3 para. 2 FM-GWG) with involvement of relevant public and private sector stakeholders. The third NRA

¹ In accordance with the 5th Round Methodology, Recommendations under review, which have been analyzed for this mutual evaluation, are in blue.

considers the findings of the SNRA prepared by the European Commission (Art. 6 of 4th EU AMLD). Compared to the second NRA, the 2025 NRA report includes new areas of cross-sectoral analysis for the real estate sector and payment systems. In addition to these new areas, the 2025 NRA still focuses on country-specific risks, including an analysis of certain ML/TF/PF threats, vulnerabilities of the financial, VASP, and DNFBP sectors, LPLAs and NPOs. The 2025 NRA is more extensive and reasonable to some extent, as it does only partially align with the country risk and context (IO.1).

Criterion 1.2—

7. Art. 3 FM-GwG provides an explicit legal basis for AML/CFT coordination. The NCC at the BMF is the national coordinator for AML/CFT issues and is tasked with conducting and maintaining the NRA.

Criterion 1.3—

8. The NCC is mandated to draw up and maintain an NRA on an ongoing basis (Art. 3 para. 2 FM-GwG). The NRAs have been updated, most recently in 2025, and take into account the SNRA prepared by the European Commission which is updated every two years (Art. 6 of 4th EU AMLD).

Criterion 1.4—

9. The NRAs are published on the website of the BMF and its findings are also communicated to the European Commission (Art. 3 of the FM-GwG law). The 2025 NRA is communicated by competent authorities to their sector and circulated to the private sector and self-regulatory bodies (SRBs), including through meetings in the context of Public Private Partnerships (PPP) and notifications through goAML accounts of OEs.

Assessment of PF risks

Criterion 1.5—

10. The obligations described in c.1.1 to 1.4 extend to PF risks (Art. 3 para. 1, 2, and 5 FM-GwG, as amended in December 2024). Regarding c.1.5(a), the 2025 NRA includes specific PF risk analysis across the areas covered, including cross-sectoral and sectoral risk analysis, except for the sectoral risk assessment of means of payment and financial transfer systems and VASPs.

Measures to mitigate ML/TF risks

Criterion 1.6—

11. The 2025 NRA describes existing risk mitigation and preventive measures and identifies recommendations for additional risk mitigation measures to address identified cross-sectoral and sectoral risks, in line with a risk-based approach. In June 2023, the authorities published the Strategy Against ML and TF (“the Strategy”) to respond to the findings of the 2021 NRA and the SNRA, and at the time of the on-site visit, the Strategy was planned to be updated to reflect the

findings of the 2025 NRA, which was adopted in May 2025. Aiming to follow a risk-based approach, the Strategy sets 10 strategic goals and lists specific measures to achieve each goal, including the sectoral recommendations for additional mitigation measures. The Strategy is implemented through a detailed action plan, which is monitored and updated by the BMF to reflect implementation progress. Art. 3 para. 3 of FM-GwG establishes that the NRA should also serve the purpose of allocating and prioritizing resources to combat ML and TF.

Criterion 1.7—

12. Austrian AML/CFT provisions covering FIs and DNFBPs do not provide for blanket exemptions from the application of certain FATF Recommendations.

Criterion 1.8—

13. FIs and VASPs are required to take enhanced measures in cases of identified higher ML/TF risks (Art. 9(1) and 9a-12 of the FM-GwG) and are required to take into account the findings of the NRA and the SNRA when assessing their ML/TF risks (Art. 4 of the FM-GwG).

Casinos, accountants, and notaries are also required to take enhanced measures when higher risks are identified and to ensure that risk findings, including those identified at EU and national level, are incorporated into their business risk assessments (Art. 31c para. 1 GSpG; Art. 50, Art. 44 (2) BiBuG, Art. 36a (2) (3) NO). Other DNFBPs such as lawyers, real estate agents, DPMS, and TCSPs (TCSPs are referred to as “business consultants” under Austrian legislation) are required to conduct a business risk assessment and implement enhanced measures to mitigate identified risks (Arts. 365n1, 365s, GewO, Art. 94 WTBG and Art. 8a, para. 2 and 3, RAO) and must incorporate the findings of the NRA or SNRA.

Criterion 1.9—

14. FIs including VASPs, and DNFBPs are permitted to apply simplified measures only in low-risk situations based on the results of their ML/TF risk assessment at company level, which should take the results of the NRA and the SNRA into account to ensure that the simplified measures are consistent with the country’s assessment of its ML/TF risks (Art. 4 (1) and 8 FM-GwG; Art. 31c (1) GSpG, Art. 49 (1) and 44 (2) BiBuG, Art. 36e (2) and (3) NO, Art. 365r, 365n1 GewO, Art. 93 WTBG and Art. 8a para 2 and 3, 8e (2) RAO).

Criterion 1.10—

15. FIs and DNFBPs are being supervised for compliance with AML/CFT obligations, including those that deal with obligations under R.1 (R.26 and R.28).

Measures to mitigate PF risks**Criterion 1.11—**

- 16. (a) As described in c.1.7, Austria's preventive measures do not provide blanket exemptions from the application of certain FATF Recommendations.**
- 17. (b) The obligations for FIs, VASPs and DNFBPs to apply EDD or other commensurate measures to manage and mitigate high risks do not specifically extend to PF.**
- 18. (c) Simplified due diligence for FIs and VASPs (Art. 8 FM-GwG) include cases of low PF risks identified in the company level risk assessment (Art. 4 FM-GwG).** Existing SDD provisions for DNFBPs (cited in c.1.9) do not cover PF.
- 19. (d) Provisions referred in c.1.10 are silent on supervision of PF obligations, except for insurance intermediaries, real estate agents, DPMS, and TCSPs (Art. 366b, GewO) that provides for administrative fines.**

Obligations of Financial Institutions and Designated Non-Financial Businesses and Professions**Assessment of ML/TF risks****Criterion 1.12—****20. All requirements for FIs and DNFBPs are met.** This includes:

- (a) documenting risk assessments: Art. 4 (2) FM-GwG; Art. 31c para. 1 GSpG; RAO 8a (3); Art. 36a (3) NO; Trade Act, art. 365n1 (2); Art. 44 (3) BiBuG and Art. 88 (3) WTBG;
- (b) assessing all relevant risk factors to determine overall risk and appropriate mitigation: Art. 4 (1) FM-GwG; Art. 31c paras. 1 and 2 no. 1 GSpG; RAO 8a (3); Art. 36a (3) NO; Trade Act, art. 365n1 (1); Art. 44 (2) BiBuG and Art. 88 (3) WTBG;
- (c) keeping assessments up to date: Art. 4 (2) FM-GwG; GSpG; RAO 8a (3); Art. 36a (3) NO; Trade Act, art. 365n1 (2); 52i para 3 BiBuG 2014; Art. 104 (3) WTBG; and
- (d) have appropriate mechanisms to provide risk information to competent authorities and SRBs: Art. 4 (2) FM-GwG; GSpG requires casinos to follow Art.4 of the FM-GwG; RAO 8a (3); Art. 36a (3) NO; Trade Act, art. 365n1 (2); 52i para 3 BiBuG 2014; Art. 104 (3) WTBG.

Measures to mitigate ML/TF risks

Criterion 1.13—

21. FIs, VASPs, and DNFBPs are required to have policies, controls, and procedures to manage and mitigate risks, monitor their implementation, and take enhanced measures where higher risks are identified, but some deficiencies apply as follows:

(a) FM-GwG, art. 23(1) (2); Art. 31c (2) (3), GSpG in conjunction with Art. 23, FM-GwG; Art. 8a (2) (3), RAO; Art. 52d (1) BiBuG, Art. 36a (2), NO and Art. 365 n1 (3), GewO. However, the procedures for lawyers, notaries, and accountants do not require approval by senior management.

(b) Art. 23 (2), FM-GwG; Art. 31c (2) (3), GSpG in conjunction with Art. 23, FM-GwW; Art. 36a (2) and 36b (6), NO; Art. 365 n1 (3), GeWO; and Art. 8a (2) and 8b (6), RAO. However, accountants are not required to monitor the implementation of the controls and enhance them as necessary.

(c) Art. 9 (1), FM-GwG; Art. 31c (2) (3), GSpG in conjunction with Art. 9, FM-GwW; Art. 365s (5), GeWO; Art. 36b (6), NO, Art. 8b para. 6 RAO, Art. 50 (1) BiBuG.

Criterion 1.14—

22. Simplified measures are only permitted in specific circumstances and subject to a prior risk assessment that identifies low risk areas (c.1.9). However, c.1.13 is not fully met, which is a condition set out in c.1.14 (cf. analysis above).

Assessment of PF risks and measures to mitigate them

Criterion 1.15—

23. Art. 4 (1) and (2), Art. 23a (1) and (2) of FM-GwG for FIs and VASPs, Art. 36a para. 5 and 6 NO, in conjunction with Art. 36a para. 2 and 3 NO for Notaries, Art. 8a para. 9 Lawyers' Act, and 365n1 (1)–(3) GewO for real estate agents, DPMS, and TCSPs require to implement the measures set out in sub-criteria (a) to identify and assess PF risks; (b) to have policies, controls and procedures to manage and mitigate PF risks, and (c) to monitor the implementation of those controls and enhance them if necessary, and requirements to comply with (d) related to take commensurate measures to manage and mitigate higher PF risks identified and (e) related to ensuring full implementation of TFS as required in R.7 where lower PF risks are identified. Accountants are not required to have the measures set out in (a) to (e) in place.

24. *Weighting and conclusion*—Austria has various measures in place to comply with the requirements of R.1 but minor shortcomings remain with regard to procedures to manage and mitigate ML/TF risks by DNFBPs (c.1.13). There are also remaining deficiencies in the PF risk assessments and some of the required mitigation measures by OEs (c.1.11 and c.1.15), which have,

considering the overall level of mitigation measures in place, not been heavily weighted. Recommendation 1 is rated **largely compliant**.

Recommendation 2—National Co-operation and Coordination

25. Recommendation 2 was rated partially compliant in the 2016 MER and re-rated largely compliant in the 2017 FUR. Minor deficiencies remained due to the facts that—by the time of the 2017 FUR—a new NRA had not yet been developed.

26. R.2 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed.

Criterion 2.1—

27. The NCC is required to develop strategies and AML/CFT/CPF measures on a national level informed by identified risks, to regularly review whether these strategies and measures are up to date, and to issue recommendations for their implementation (Art. 3 (1) (2) and (6) of FM-GwG, as amended in December 2024). Based on the findings of the SNRAs and NRA of 2021, the National AML/CFT Strategy (“Strategy”) was adopted in 2023 by the NCC and the Office of the Minister of Finance. The Strategy describes 10 high-level strategic objectives to improve the national AML/CFT system and lists specific measures to achieve each objective. Subsequently, an action plan for the implementation and regular evaluation of the Strategy was approved. The implementation of the action plan is monitored by the BMF, as chair of the NCC. The FM-GwG was amended in December 2024 to extend to CPF risks, and a new NRA was adopted in May 2025. BMI/DSN, authorities involved in export control and Customs developed and implement targeted internal strategies to steer their operational CPF activities. The Strategy and action plan do not yet reflect new and emerging ML/TF/PF risks but there are plans for its updating.

Criterion 2.2—

28. The FM-GwG establishes the NCC to develop AML/CFT/CPF measures and strategies at the national level (Art. 1 (2) and Art. 3 (1) (6) (7), FM-GwG), review if measures are up-to-date, coordinate the development of the national risk assessment, provide statistical and analytical duties, and issue recommendations for their implementation. The NCC also has a role in facilitating and especially promoting effective coordination and information exchange. The NCC sits at the BMF, and its membership includes other relevant ministries, the FMA, the OeNB, the FIU, and the DSN. Supervisory authorities, and other relevant authorities such as the tax office and prosecutors are not permanent members of the NCC but can be called upon at NCC’s request. (Art. 3 (2), FM-GwG).

29. In addition to the NCC, in the Federal Ministry for Economy, Energy and Tourism (BMWET), there is a permanent working group bringing together representatives of the Ministry and from the Länder. One of the purposes of this working group is to foster cooperation between supervisors and other relevant authorities and to apply the risk-based approach to

supervision of DPMS, real estate agents, business consultants and insurance intermediaries. Representatives of the other Ministries, the FIU, the FMA, the Chamber of notaries and the Austrian Bar, and also external experts can be called upon to participate in the meetings.

Criterion 2.3—

30. The NCC is responsible for setting national AML/CFT/CPF policies. The FM-GwG establishes the NCC at the BMF, which nominates the NCC's chairperson and deputy (c.2.2). The MoF is the leading institution in the coordination of AML/CFT/CPF policy, chairing and leading the NCC. The NCC also covers aspects of operational cooperation. A coordinating Task Force on Sanctions was established in March 2022, led by the BMI. It was formalized as a national coordination mechanism for sanctions (NCC Sanctions) with the adoption of the Sanctions Act in 2024. It coordinates sanctions implementation and operates as a platform for exchange of information. BMWET coordinates the permanent working group of supervisors for the trade sector (c.2.2).

Criterion 2.4—

31. The StPO provides the legal basis for the co-operation between public prosecutors, LEAs, and the A-FIU. The DSN and the A-FIU have an MoU containing specific rules for operational co-operation and co-ordination, and to ensure information exchange on specific cases between them. The IPCM provides a forum for quarterly meetings between DSN and the A-FIU to discuss specific topics and cases on an operational and strategic level, including in relation to NPOs, where relevant (c.8.5a). The DSN and A-FIU can also involve representatives of other investigative authorities, public prosecutors, and court representatives, as needed for individual cases. There is also institutionalized cooperation and exchange of information between the DSN and the nine Provincial police directorates.

32. To improve the exchange of information and cooperation between competent authorities and SRBs for the AML/CFT supervision of lawyers and notaries, the BMJ, the Austrian Chamber of Notaries and the Austrian Bar and the A-FIU set up a dedicated PPP. The BMWET plays a coordinating role in the cooperation between competent authorities for the AML/CFT supervision of other types of DNFBPs, such as DPMS, real estate agents, business consultants, and insurance intermediaries.

Criterion 2.5—

33. The FM-GwG in establishing the NCC refers to its role for developing measures and strategies for ML/TF/CPF prevention as well as all data protection issues (Art. 3 (1), FM-GwG). However, the authorities did not demonstrate whether and how coordination and cooperation is taking place to ensure compatibility of AML/CFT/CPF requirement with data protection and privacy rules.

34. *Weighting and conclusion*—While AML/CTF/CPF policies need to be updated to reflect latest legal amendments and NRA, Austria meets most of the requirements of R.2 except with regard to how compatibility of AML/CFT/CPF requirement with data protection and privacy rule is ensured (c.2.5). Recommendation 2 is rated **largely compliant**.

Recommendation 3—Money Laundering Offense

35. Recommendation 3 was rated largely compliant in the 2016 MER. Minor deficiencies were identified related to the scope of the self-laundering and the dissuasiveness of penalties. The range of ML predicate offenses covered within tax crimes was not sufficient, taking into account Austria's risk and context as an international financial center.

36. R.3 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 3.1—

37. ML is criminalized on the basis of the Vienna and Palermo Conventions (Art. 165, StGB). Art. 165 applies to anyone who either converts or transfers property derived from criminal activity with the intention of concealing or disguising its illegal origin or assisting another person involved in such criminal activity to evade the legal consequences of their act, or who conceals or disguises the true nature, origin, location, disposition, or movement of such property. It also covers whoever acquires, possesses, converts, transfers, or otherwise uses such property, aware at the time of acquisition of its criminal origin.

Criterion 3.2—

38. The predicate offenses for ML can be divided into two categories: all criminal offenses punishable with more than one year imprisonment and a list of specified misdemeanors (Art. 165, StGB). This provision covers all serious predicate offenses, including a range of offenses in each of the designated categories required by the FATF. However, the range of offenses covered under tax crimes is limited by two restrictions which, in combination, result in a too narrow focus. Firstly, only tax offenses (listed in the FinStrG) judged by a criminal court are covered. Examples of tax predicates include cross-border VAT fraud, intentional tax evasion or tax fraud of over EUR 150,000, and evasion of import or export duties of over EUR 75,000 (Arts. 33, 35, 37, 38a, 39 and 53, FinStrG). In addition, for an offense to be considered a ML predicate, the offender needs to have obtained a benefit against the state through a transaction—for example, in the case of tax crimes by means of a tax refund by defrauding the State. Where the offender only obtains “savings” (e.g. where the benefit obtained from the offense is gained by not paying for something where legally obliged to do so, such as a tax), may constitute a tax crime (e.g. tax evasion under Art. 33 FinStrG), but is not considered a ML predicate (Art.165 (6), StGB).

Criterion 3.3—

39. As stated in c.3.2, Austria applies a combined approach, partly threshold, partly list-based, whereas, besides a list of specified misdemeanors, all criminal offenses punishable by a maximum sentence of more than one year imprisonment are designated predicate offenses.

Criterion 3.4—

40. The ML offense of ML in general extends to any type of property that directly or indirectly represents the proceeds of crime, including property of corresponding value (Art.165 (6) and (7), StGB). However, tax offenses savings are not covered, including not through attempted ML, as an attempt cannot be committed in relation to an object that is unsuitable for completion (Art. 15(3) StGB). Case examples, however, show that these constellations to some extent are covered in certain criminal provisions concerning the frustration of confiscation (c.4.6).

Criterion 3.5—

41. When proving that property is the proceeds of crime, the legislation does not require that a person be convicted of a predicate offense, or that the predicate offense was the subject of prior judicial proceedings. In the case of ML, “in the interest of a criminal organization or of a terrorist group,” it is sufficient to prove that the property laundered belongs to a criminal organization or a terrorist group (Art. 165 (3), StGB).

Criterion 3.6—

42. Predicate offenses for ML include acts committed abroad that do not, in the specific case, fall under Austrian criminal jurisdiction (Art. 165 (5) 2, StGB). Such acts qualify if they constitute a criminal offense under both Austrian law and the laws of the jurisdiction where the act was committed, without requiring a conviction or culpable commission of the offense. However, for offenses listed as “EU crimes”—for which legal harmonization has been ensured by the European Union—it is not required that the act be punishable under the laws of the jurisdiction where it was committed.

Criterion 3.7—

43. The ML offense applies to any person, including those laundering their own criminal proceeds, who either (i) convert or transfer to another person property derived from criminal activity with the intention of concealing or disguising its illegal origin or assisting another person involved in such criminal activity to evade the legal consequences of their act, or (ii) conceal or disguise the true nature, origin, location, disposition, or movement of such property (Art. 165 (1) and (2), StGB).

Criterion 3.8—

44. Judges decide whether a fact is to be considered proven not based on statutory rules of evidence, but through their free judicial evaluation, derived from a careful examination of all evidence presented for and against the fact (Art. 258 (2), StPO). Intent and knowledge can be inferred from objective factual circumstances (Art. 165, StGB).

Criterion 3.9—

45. The penalty for ML appears proportionate and sufficiently dissuasive when compared with other profit-generating offenses.

46. Natural persons convicted of ML are subject to a prison sentence ranging from a minimum of 6 months to a maximum of 5 years which can be brought up to 10 years in the following aggravating circumstances (Art. 165 (1) and (4), StGB):

- If it involves proceedings over EUR 50,000; or
- If committed by a member of a criminal organization.

47. In addition, it is a general aggravating circumstance if the perpetrator is a regulated entity and commit ML in the course of their professional activities (Art.33(3) StGB).

48. A fine of up to 720 daily rates² (up to EUR 3,600,000) may be imposed instead of imprisonment of up to one year, provided that a custodial sentence is not deemed necessary to prevent the offender from committing further criminal acts (Art. 37(1) StGB).

Criterion 3.10—

49. Regarding legal persons, proportionate and dissuasive sanctions apply. The law provides for general criminal liability of corporations and registered partnerships for all criminal offenses in addition to and independent from the liability of the natural persons prosecuted for the same act (Art.3, Act on Corporate Criminal Liability—VbVG). Penalties for legal persons are fines that are calculated based on the seriousness of the offense, the revenue of the legal person or entity, and a scale of daily rates. This results for ML in a minimum fine of EUR 50 and a maximum fine of EUR 3,900,000 (Art. 4, VbVG). This does not preclude parallel civil or administrative liability. Furthermore, the legal consequences also apply to a legal successor, if the rights and obligations of the legal person or entity have been transferred to another association by way of universal succession (Art. 10, VbVG). In addition, as noted in c.3.9 above, it is a general aggravating circumstance if the

² Daily rate amounts vary from EUR 4 to EUR 5,000 depending on the financial capacity of the convicted person (Art. 19 para 2 StGB).

perpetrator is a regulated entity and commit ML in the course of their professional activities (Art.33(3) StGB), which also applies to legal persons through Art. 12(1) VbVG.

Criterion 3.11—

50. **Austria has appropriate ancillary offenses to the offense of ML (Art. 12 and 15, StGB).**

This includes attempt (as well as participation in any attempt), abetting another person to commit the offense or contributing to its perpetration in any other way.

51. *Weighting and conclusion*—Austria's ML offense is comprehensive. There are minor deficiencies in respect to criterion 3.2, where the range of ML predicate offenses covered within tax crimes does not appear sufficient. This may be particularly relevant considering Austria's risk and context as a regional and international financial center. Recommendation 3 is rated **largely compliant**.

Recommendation 4—Confiscation and Provisional Measures

52. Recommendation 4 was rated compliant in the 2016 MER.

53. R.4 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed. This new assessment has been made against recently amended Standards, as changes for Recommendation 4 were adopted by FATF Plenary in October 2023.

General Principles

Criterion 4.1—

54. (a) Austria has policies and operational frameworks that prioritize AR in both the domestic and international context. LEAs are legally required to pursue AR as they investigate criminal offenses (Art. 2, 3 StPO). Operationally, there are several guidelines to support AR (e.g. 2015 General Federal Decree "ARO Guidelines," Criminalistic Guidelines, MoJ's Guidelines on Asset Recovery, Decree of the MoJ on the procedure for the seizure, confiscation, and realization of virtual currencies), some of which require updating. Austria's police and Prosecutors, including specialized AR units and the ARO, make up the operational frameworks for both domestic and international AR efforts.

55. (b) Austria has periodically reviewed its AR regime to ensure its ongoing effectiveness, as demonstrated by the legislative reforms in 2021 and 2024. Whilst Austria has issued guidelines for LEAs and judicial authorities to support AR, these guidelines have not yet incorporated the NCBC regime introduced in 2021. A criminal procedure code review group, with representatives from the police and prosecutors, meets from time to time to propose updates to the AR guidelines as well as legislative changes where issues cannot be sufficiently addressed by guidelines.

56. (c) Austria provides resources to effectively pursue AR to some extent. All police officers receive AR training, have access to technological tools and databases to support AR efforts. AR experts (ARO at federal level, specialized units at state police level) can assist or take over cases. At judicial level, there are specialized departments in larger prosecutors' offices to assist particularly in high-value and complex cases, but AR training is insufficient. Austria's 2023 AML/CFT Strategy identifies strengthening asset protection and AR as a core objective, but an action plan to measure progress indicates that measures are still to be implemented in a significant way. In particular, actions such as the establishment of an asset management office and additional human and technical tools at LEAs (including ARO) and prosecution levels are still pending.

57. (d) Austria ensures that the necessary domestic co-operation and co-ordination frameworks and agency structures are in place to enable effective use of their AR regime. ARO has a coordination role for pursuing AR at the police level, regular meetings take place between the ARO and state AR groups, while prosecutors established specialized units. There is inter-agency co-operation and co-ordination, particularly, among LEAs, FIU, Customs, and prosecutor offices.

Investigative Measures

Criterion 4.2—

58. (a) Competent authorities are required, as part of their duty to investigate criminal offenses ex officio (Art. 2 StPO) and to ascertain the truth (Art. 3 StPO), to identify, trace, and evaluate criminal property and property of corresponding value through integrated financial investigations.

59. (b) Competent authorities can take appropriate investigative measures and use the same powers as for investigating the underlying offense. Police authorities can access databases and public registers and make inquiries to social security agencies and the relevant tax office (Art. 76 StPO). The public prosecutor's office may also order further investigations, such as regular inquiries from the account register (Art. 116 (3) StPO) or request judicial authorization for information on bank accounts and transactions (Art. 116 (4) StPO). The authorities' powers extend to a wide range of investigative techniques, such as surveillance (Art. 136 StPO), telecommunications monitoring (Art. 135 StPO), house searches (Art. 119 StPO), seizures (Art. 110 StPO), and undercover investigations (Art. 131 StPO), provided that the corresponding conditions are met.

Provisional Measures

Criterion 4.3—

60. (a) The FIU is authorized to take immediate action to instruct that an ongoing or upcoming transaction suspected of being related to ML, a predicate offense, or TF, for which a suspicious activity report has been or is to be submitted, must be withheld or suspended, and that instructions given by the customer regarding the disbursement of funds may only be executed with the FIU's consent (for transactions by FIs and VASPs, Art. 17 paras. 1 and 4, FM-

GwG; for transactions conducted by DNFBPs (other than casinos), Art. 52a BiBuG, Art. 7 Stock Exchange Act (BörseG), Art. 96 WTBG, Art. 365u GewO, Art. 36c NO, Art. 8c RAO). However, it is less clear if these powers extend to casinos and whether the FIU may suspend transactions of that sector.

61. (b) The FIU must lift the delay/ omission order issued as soon as the conditions for its issuance no longer apply or the prosecutor declares that the conditions for confiscation are not met (Art. 17 para. 5 FM-GwG, and the corresponding sector-specific laws quoted in a) above). The order also expires if six months have passed since its issuance or as soon as the court has issued a final decision on confiscation. This allows sufficient time for the FIU to analyze the transaction and for competent authorities to initiate freeze or seize actions.

Criterion 4.4—

62. Competent authorities are empowered to expeditiously take provisional measures, as follows:

(a) Austria has measures in place, including legislative measures to carry out take freezing and seizing measures to prevent dealing or disposal of criminal property (Arts. 110(1) and 109 StPO); however, this does not extend in full to property of corresponding value. Freezing and seizure are generally ordered by the public prosecutor and executed by the criminal police, although the criminal police can also independently issue a freezing or seizure order in some instances (c.4.5). The seizure of rights registered in public records, such as real estate and patent rights, and a provisional prohibition on the release of assets to third parties and on the disposal or pledging of assets requires a court order (Art. 109 No. 2 lit. b, Art. 113 (3) StPO).

Every person, including a non-accused individual, who has assets subject to freezing or seizure within their control is obliged to hand them over or otherwise enable the freezing or seizure (Art. 111 (1) StPO). As noted in c.4.7, there are some limitations to the confiscation of assets of corresponding value owned by third parties acquired gratuitously in good faith.

(b) The application to freeze/seize may be made without prior notice (Art. 111 para. 4 StPO).

(c) Provisional measures do not have unreasonable or unduly restrictive conditions for effective action. For both freezing and seizure, a low threshold of probability suffices: the possibility that a final confiscation order will be issued (Section 3.4.2.2.1, BMJ's Guidelines on Asset Recovery).

Criterion 4.5—

63. The criminal police can freeze or seize criminal property and property of corresponding value without a court order (i) in cases of imminent danger (Art. 99 (2) StPO); or (ii) where an asset was taken from the victim by the offense, found at the crime scene and used or intended to be used to commit the offense, or discovered during a search or in possession of an arrested person, or if the asset is of low value or easily replaceable temporarily (Art.110(3) StPO). Public prosecutors are also authorized to freeze and seize criminal property and property of

corresponding value without a court order, except for real estate or rights registered in a public register, which require judicial seizure (Art. 109 No. 2 lit. b StPO). Such assets are usually not at risk of dissipation, as they can only be transferred through a formal request to amend the registration in the public register. Austria's measures applicable in such cases allow public prosecutors to "immediately apply" to the court for a seizure order (Art. 113(3) StPO) and the court must decide on any seizure without delay (Art. 115 para. 2 StPO). The latter also applies if freezing or seizure has been carried out without a court order, and the affected person requests a judicial decision on the termination or continuation of the seizure or freezing (Art. 111(4) StPO).

Criterion 4.6—

64. Austria has measures, including legislative measures, that enable their competent authorities to take steps that will prevent or void actions that prejudice the country's ability to freeze, seize, or confiscate criminal property and property of corresponding value.

65. Certain actions that prejudice freezing, seizure, or confiscation of criminal property and property of corresponding value are themselves punishable offenses (Arts. 156 (fraudulent insolvency), 162 & 163 (interference with enforcement), 271 (destruction or damage to frozen/seized or confiscated assets, StGB).

66. For intangible assets and rights, such as real estate registered in public records, an annotation in the public register can also prevent third-party acquisition.

67. Concerning the possibility of voiding contracts that aim to frustrate freezing, seizure or any type of confiscation, Art. 879 of the General Civil Code (*Allgemeines bürgerliches Gesetzbuch*) states as a general rule that contracts which violate existing (statutory) laws or which are *contra bonos mores* are null and void. This applies, for example, if the conclusion of the contract itself constitutes a criminal offense or if the contract was concluded with the intention to hinder the State's ability to recover legitimate financial claims.

Confiscation

Criterion 4.7—

68. Austria has legislative measures that enable the confiscation of criminal property and instrumentalities once a person has been convicted. Confiscation also extends to property held by third parties, including both natural and legal persons; however, this may not apply to property of corresponding value acquired gratuitously in good faith by the third party. There are two main confiscation regimes:

- Confiscation of instrumentalities and their equivalent value—Instrumentalities used or intended to be used in a criminal act, assets produced as a result of a criminal act (such as narcotics produced as part of the criminal act), and property of corresponding value for these items can be confiscated (Art. 19a StGB), if they are owned by the perpetrator at the time of the court's decision and there has been a criminal conviction for any intentional offense. This would include

assets held by third parties but still owned by the offender. If ownership has been transferred to a third party who was not acting in good faith at the time of acquisition, this constitutes a criminal offense by the original offender and the third party (e.g., ML or fraudulent bankruptcy pursuant to Art. 156 combined with Art. 12 StGB), and confiscation can take place in separate proceedings against that party, including proceedings brought against a legal entity (Art. 12(1) VbVG). Confiscation of dangerous instrumentalities is dealt with separately (Art. 26 StGB).

- Confiscation of criminal proceeds—Assets of any kind that already existed prior to the offense and were obtained by the perpetrator for or through the commission of any criminal act (e.g. money from the sale of illegal drugs or from fraudulent schemes) as well as gross profits, benefits resulting from proceeds (e.g., interest gained), and property of corresponding value can be confiscated (Art. 20 StGB). Confiscation under Art. 20 StGB does not apply if a third party has acquired the assets for consideration and was unaware of the criminal act (Art. 20a(2) No. 1, StGB). However, for all other assets other than the original proceeds, confiscation is excluded even in cases of gratuitous acquisition if the third party was acting in good faith (Art. 20a(1) StGB). This may unduly restrict Austria's ability to confiscate property of corresponding value that the offender has transferred without consideration to, for instance, family members or other (related) persons that were not aware of the criminal act.

Criterion 4.8—

69. Austria has measures to enable confiscation to be extended to other property of a person convicted of ML, predicate offenses, TF, or other terrorist offenses. Three modalities are provided (Art. 20b StGB).

70. Extended confiscation is available in relation to assets obtained by a person within a timeframe closely related to unlawful acts committed by that person including ML, TF, other terrorist offenses, or any serious predicate offense punishable by a maximum sentence of more than three years. In such cases, there must be a plausible assumption that those assets stem from an unlawful act and their lawful origin cannot be credibly demonstrated (Art. 20b(2) StGB). The temporal connection is assessed on a case-by-case basis (e.g. account deposits shortly before or after the receipt of fraudulent transfers) (Guidelines on Asset Recovery, s.2.7.2).

71. Extended confiscation also applies to assets at the disposal of a criminal organization or terrorist association, or assets that are appropriated or collected as a means of TF, as such assets are presumed to be derived from an offense (Art. 20b(1) StGB). This provision requires a formal finding of the criminal organization/ terrorist association (i.e. it must be proven that such an organization or association exists) and that there are assets under the de facto control of that organization/ association (Section 2.4.1, MoJ's Guidelines on Asset Recovery). Extended confiscation is excluded insofar as the affected assets are subject to legal claims by persons who are not involved in the criminal organization, terrorist association, or TF (Art. 20c(1) StGB).

72. Finally, assets frozen or seized during investigations related to serious organized crime, terrorism, or corruption, can also be confiscated where there is a striking contradiction

between the asset and the lawful income of the person concerned, taking into account, in particular, the circumstances in which the asset was found, other personal and economic circumstances of the person concerned and the results of the investigation into the act on which the proceedings are based ((Art. 20b(2a) StGB). This provision applies to extended confiscation to other assets of a convicted offender in the circumstances described above.

Criterion 4.9—

73. Austria has legal provisions allowing for the confiscation of criminal property without requiring a criminal conviction through two NCBC mechanisms. The first mechanism (Art. 20b(2a) StGB) applies to assets previously frozen or seized during investigations related to serious organized crime, terrorism, or corruption. Confiscation can occur if the court concludes the assets derive from criminal activity, even without proving a specific unlawful act, based on discrepancies between the asset's worth and the individual's legal income, circumstances of discovery, and investigation findings. Acquittal or unknown identity of the accused does not prevent confiscation.

74. The second mechanism (Art. 445 StPO) applies when confiscation conditions under Arts. 20, 20b(1) and (2), and 26 StGB are met without the possibility of a criminal conviction. This covers assets obtained through ML, predicate offenses, or TF.

75. Additionally, confiscation under Art. 19a StGB applicable to instrumentalities, assets produced by the criminal act or their corresponding value can also be ordered without requiring a conviction if proceedings were discontinued due to the illness or flight of the accused. This, however, is applicable only for offenses committed with intent to unlawfully enrich oneself or to obtain an advantage (i.e. this would cover ML but not necessarily all predicate offenses nor TF) (Art. 445(2a) StPO).

Asset Recovery and Tax Authorities

Criterion 4.10—

76. Competent authorities can directly request assistance from other federal and state authorities, including tax authorities (Art. 76 para. 1 StPO). Such requests must be complied with as quickly as possible, or any opposing obstacles must be promptly reported. The confidentiality obligation under tax law does not oppose this; rather, the disclosure or use of information about the circumstances or details of a tax, monopoly, or financial criminal proceeding is permitted under Art. 48a para. 4 lit. b of the Federal Tax Code (BAO) if it serves a compelling public interest. According to judicial decisions, such an interest exists in the investigation of crimes.

Asset Management, Return, and Disposal

Criterion 4.11—

77. A comprehensive framework ensures that frozen, seized, and confiscated items are protected from destruction, loss, or unauthorized access. The Rules of Procedure for Courts of

First and Second Instance (Geo) regulate the custody of evidence, items subject to confiscation, and suspicious goods in §§ 609–643. These provisions apply mutatis mutandis to the handling of such items by other competent authorities.

78. Pre-confiscation disposal of any frozen or seized property is permitted in cases of rapid spoilage, depreciation, value fluctuations, or disproportionate storage costs, provided they are no longer needed as evidence (Art. 115e StPO). However, there are no specific provisions or guidelines for the value-preserving management or disposal of particular types of assets, such as real estate and non-tangible assets.

Criterion 4.12—

79. Austrian authorities have measures to enforce a confiscation order, realize the property or value subject to the order, which enables permanent confiscation (Arts. 408 and 409 StPO, Judicial Submission Act (GEG), Enforcement Code (EO)). To enforce the confiscation of property that is not already under the authorities' control, the convicted person or a co-liable is ordered to hand them over within 14 days, otherwise coercive measures can be used to seize them ((or specific items: Art. 408 (1) StPO, Art. 1 EO; for non-specified monetary claims: Article 409(2) StPO, Art. 1 GEG)). Bank and account information can be accessed to identify property (Art. 409 (2) StPO), that can be confiscated in lieu of traceable proceeds. The value of confiscated assets or assets seized under the GEG and EO that are not monetary funds can be realized in favor of the state treasury through public auctions or private sales (Arts. 377 and 408 (2) StPO). Jurisdiction for realization lies, for the entire federal territory, with the Collection Office of the Vienna Higher Regional Court (Art. 408(1) StPO or 409(2) StPO, Art. 11 GEG). (, while all other decisions relating to enforcement are taken by the court that issued the confiscation order.

Criterion 4.13—

80. (a) Austria has mechanisms to return confiscated property. Seized assets of any kind must be returned to the victim, after the judgment becomes final (Art. 367 StPO). In addition, such assets may be returned to the victim during the investigative phase or prior to the conclusion of the criminal proceedings either ex officio or at the request of the victim, unless they are still needed as evidence or if the victim's right to the asset is not sufficiently established (Arts. 69(3) and 368 StPO). If the stolen property cannot be returned, the court must award damages or compensation in the criminal judgment, provided the amount and the entitled person can be reliably determined (Art. 369 para. 1 StPO).

81. (b) Austria's laws permit the use confiscated property to compensate victims (Art. 373b StPO). If a victim has been awarded compensation in criminal adhesion proceedings that has not yet been paid, the victim may request satisfaction of their claim from assets already collected by the state through confiscation or extended confiscation arising from the same offense (Art. 373b StPO).

82. *Weighting and conclusion*—Austria has in place a comprehensive AR regime that broadly enables conviction and NCBC of criminal property and property of corresponding value as well as

the use of investigative measures and provisional measures such as suspension of transactions to support AR. Nevertheless, minor shortcomings remain. Resources allocated by Austria to its AR regime need increasing, as identified in its 2023 AML/CFT Strategy and action plan (c.4.1). NCBC legal provisions have been enacted since 2021, but there are no guidelines to assist prosecutors navigating through different conditions and mechanisms. There are also limitations concerning the confiscation of property of corresponding value transferred gratuitously to third parties (c.4.4, c.4.7, c.4.8, c.4.9). Recommendation 4 is rated **largely compliant**.

Recommendation 5—Terrorist Financing Offense

83. Recommendation 5 was rated compliant in the 2016 MER and 2017 FUR.

84. R.5 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 5.1—

85. Austria criminalizes TF in line with the TF Convention through Art. 278d and other parts of the StGB. Art.278d indicates that “Who makes available or collects assets with the intention that they be used, even only partially, for [a series of listed offenses, with cross-references to these offenses elsewhere in the StGB] shall be sentenced to serve a prison term of one to 10 years.” While this covers most of the mental elements of Art.2 TF Convention, it does not specifically refer to making funds available “directly or indirectly.” However, case law (not related to TF) confirmed that “indirectly” was covered even if it is not specifically stated so in the law.

Criterion 5.2—

86. The list of offenses included as terrorist acts (Art. 278d (1) of the StGB) include: air piracy or a deliberate threat to aviation safety; kidnapping for ransom or threat thereof; violence against internationally protected persons; unlawful handling of nuclear material or creating danger by nuclear energy; violence against civil aviation; offenses against a ship or fixed platform; or use of explosives against the public. “Committing a punishable act intended to cause death of, or grievous bodily harm to a civilian or any other person not actively participating in the hostilities during an armed conflict, if such act by its very nature or due to the circumstances is aimed at intimidating a section of the population or coercing the government or an international organization to act in a certain way or to refrain from such action.” These provisions cover the requirements of Arts.2(1)(a) and 2(1)(b) TF Convention.

87. The same penalties apply for someone who collects or makes available assets for: any other person who to his knowledge commits terrorist acts; or a member of a terrorist association which to his knowledge is aimed at committing terrorist acts (Art. 278d (1a) of the StGB). “Terrorist association” is defined in Art.278b as a union planned for a time longer time of more than two persons aimed at committing one or more terrorist criminal offenses or TF offenses. It applies to acts committed “directly or indirectly” as explained in c 5.1.

Criterion 5.3—

88. Section 278g of the StGB establishes as an offense the financing of the travel of an individual to another country for the purpose of participating in a terrorist association, committing a terrorism offense, or providing or receiving training for the purpose of committing such acts. The legal requirement does not specifically extend to the planning and preparation of terrorist offenses; however, the existing offenses of TF, contributing to terrorist training, or participation in a terrorist association are broad enough to cover this conduct (Criminal Code, arts. 12, 278b, 278d, and 278e).

Criterion 5.4—

89. “Assets,” are not defined in Art.278d. However, the explanatory remarks of the legal materials (EBRV StRÄG 2002, 1166 BlgNR 21. GP 42)—which are used to interpret the law—clarify that the term “assets” refers to the definition in Art.1 TF Convention and thus extends to any funds “of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including, but not limited to, bank credits, travelers cheques, bank cheques, money orders, shares, securities, bonds, drafts, letters of credit,” whether from a legitimate or illegitimate source.

Criterion 5.5—

90. The TF provisions do not require that the funds (a) were actually used to carry out or attempt a terrorist act or (b) be linked to a specific terrorist act (section 278d of the StGB).

Criterion 5.6—

91. It is possible for intent and knowledge to be inferred from objective factual circumstances. Austria relies on the principle of free evaluation of evidence by the judiciary, codified by Art.14 StPO. This enables the judge to make this inference.

Criterion 5.7—

92. Penalties for natural persons range from 1 to 10 years of imprisonment (section 278d of the StGB). Although the law does not provide for fines, this sanction is proportionate and dissuasive.

Criterion 5.8—

93. Regarding legal persons, the VbVG provides for general liability of corporations (including VASPs when incorporated), registered partnerships for all criminal offenses in addition to and independent from the liability of the natural persons prosecuted for the same act. Penalties for legal persons include fines that are calculated based on the gravity of the offense, the revenue of the legal person or entity, and a scale of daily rates. The daily rate is 1/360th of the

annual income of the legal person, with a minimum of EUR 50 and a maximum of EUR 30,000, and the legal person can be convicted up to 180 daily rates for an offense punished by 10 years imprisonment. This results in a theoretical minimum fine of EUR 50 and a maximum fine of EUR 3,900,000 (Art. 4 of the VbVG). This does not preclude parallel civil or administrative liability. These sanctions are proportionate and dissuasive.

Criterion 5.9—

94. Attempt and participating as an accomplice are covered by Arts.12 and 15 StGB, respectively. Organizing or directing others to commit a TF offense and contributing to the commission of one or more TF offense by a group of persons acting with a common purpose are covered through Art.278(b) on terrorist associations. A person participates as a member of a terrorist association if they make property available or in any other way promotes the organization or its punishable acts (Art.278 para.3 on criminal association).

Criterion 5.10—

95. TF offenses are predicate offenses for ML (art. 165 (1) and (5) StGB).

Criterion 5.11—

96. Under Arts.64, 65, and 67 StGB, TF offenses apply, regardless of whether the person alleged to have committed the offense(s) is in the same country or a different country from the one in which the terrorist(s)/terrorist organization(s) is located or the terrorist act(s) occurred/will occur.

97. Weighting and conclusion—The Austrian legal framework covers all the required elements of R.5. Recommendation 5 is rated **compliant**.

Recommendation 6—Targeted Financial Sanctions Related to Terrorism and Terrorist Financing

98. Recommendation 6 was rated partially compliant in the 2016 MER. Moderate shortcomings were noted in relation to the ability to ensure asset freezing “without delay” under 6.2(e), 6.4 and 6.5(a).

99. R.6 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

100. Austria implements TF TFS through EU decisions and regulations, complemented by domestic legislation.

Identifying and Designating

Criterion 6.1—

Sub-Criterion (a)

Domestic measures

101. The Federal Minister of Finance and the Federal Minister of the Interior are each empowered, in agreement with the Federal Minister for European and International Affairs, to make proposals to the UN and the EU for the designation of persons or entities which fulfil the UN or EU designation criteria (Art. 3, (1) of the SanktG 2024).

Sub-Criterion (b)

102. Austria has a coordinated mechanism and high-level procedures (entitled Disruption. Strategy) in place for the identification of targets for designation, based on the designation criteria set out in the relevant UNSCRs. The coordination mechanism involves relevant authorities for the implementation of international financial sanctions, including but not limited to TFS (i.e., the BMEIA, BMI (including DSN), BMF, OeNB, and BMJ).

Sub-Criterion (c)

103. Austria has written procedures that support that Austria would apply an evidentiary standard of proof of “reasonable grounds” or “reasonable basis” when deciding whether or not to make a proposal for designation. The designed process implies that such proposal should not be conditional upon the existence of a criminal proceeding.

Sub-Criterion (d)

104. Not applicable as to date, there was no designation proposal made by Austria pursuant to the UNSCR 1267/1989 and 1988 sanctions regimes. It has therefore not had to put into practice the procedures and standard forms for listing adopted by the 1267/1989 or 1988 Committees. Austria’s own procedures clarify that the 1267/1989 or 1988 Committees’ standard forms should be used when formulating proposals.

Sub-Criterion (e)

105. Not applicable as to date, Austria has proposed no names. Austria’s procedures clearly set out the relevant information and adequate identifiers to be included in proposals for listing. Whether or not Austria would want its status as a designating state be made known, would depend on the circumstances and would be decided on a case-by-case basis.

Criterion 6.2—

Sub-Criterion (a)

106. *Supranational measures.* At the EU level, the EU Council (through the Council's Working Party on the Application of Specific Measures to Combat Terrorism (COMET)) is responsible for designating persons or entities that meet the criteria set forth in UNSCR 1373.

Designations are considered based on proposals submitted by EU member states or third states (EU Regulation 2580/2001, art.2(3); CP 2001/931/CFSP, art.1(4)). Relevant designations of EU internals (i.e., natural persons who have their roots, main activities, and objectives within the EU) only trigger enhanced policy and judicial cooperation (CP 2001/931/CFSP footnote 1 of Annex 1).

107. *Domestic measures.* The Federal Minister of Finance, with the consent of the Federal Minister for the Interior and the Federal Minister for European and International Affairs, has the authority for designations, both on the country's own motion, including for the designation of EU internals, and at the request of any other country (Art. 2 (1) and (2) of the SanktG 2024). The possibility of designating EU internals is specifically dealt with in Austria's procedures referred to in the analysis of c.6.1. Austria previously designated EU internals by issuing regulations (i.e., DL 2/2002 as amended by DL 1/2009) pursuant to Section 4 of the Foreign Exchange Act 2004. Article 19, (1) of the SanktG 2024 specifically states that these sanctions continue to be in force

Sub-Criterion (b)

108. *Supranational measures.* At the EU level, proposals for listings may be made by member states (for proposals based on decisions taken by their own competent authorities), or by member states or the High Representative for Foreign Affairs and Security Policy (HR) for proposals on the basis of decision(s) by third States' competent authorities. The EU (through COMET WP) applies designation criteria consistent with the designation criteria of UNSCR 1373 (CP 2001/931/CFSP, art.1(2) & (4); CR 2580/2001, art. 2 (3), COMET WP mandate, practical arrangements and working methods 10826/1/07 REV`1).

109. *Domestic measures.* See c.6.1(b).

Sub-Criterion (c)

110. *Supranational measures.* At the EU level, the European External Action Service or relevant member state (acting as intermediary) when receiving a request for designation from a non-EU country, will carry out a first basic scrutiny of the proposal and gather relevant information, including requesting additional information from the requesting country, in particular with regard to and respect of fundamental rights (CP 2001/931/CFSP, art. 1(2) and (4), as well as COMET WP mandate, practical arrangements and working methods). If an EU country requests an EU designation, the compliance with due processes is assumed when the EU

reviews such requests. COMET has 15 days to review the proposal, this timeframe can be shortened in exceptional cases (doc.14612/1/16 REV 1 on establishment of COMET WP, Annex II, arts.8-9).

111. Domestic measures. At the national level, there are no specific procedures for dealing with requests from other countries, including to ensure a prompt determination of whether the proposed designee meets the criteria for designation in UNSCR 1373. Austria indicates that the BMEIA is responsible for communication with other states and international organizations and would immediately forward such request to the BMF and the BMI for scrutiny. However, Austria's high-level procedures referred to in c.6.1 are silent in this regard and the authorities' statement cannot be confirmed.

Sub-Criterion (d)

112. Supranational measures. At the EU level, when deciding on a proposal, COMET decides on the basis of a decision (and the information/material supporting that decision) by a competent national body, irrespective of criminal proceedings (CP 2001/931/CFSP, art.1(4)).

113. Domestic measures. See c.6.1(c) above.

Sub-Criterion (e)

114. Supranational measures. There is no EU procedure or requirements regarding the provision of identifying or supporting information with respect to requesting non-EU countries to give effect to EU designations. Information to support designation may be shared with non-EU members upon request provided EU member states agree.

115. Domestic measures. At the national level, there is no formalized procedure under which Austria could ask another country, including EU member states, to give effect to freezing measures taken in Austria, and therefore no clarity on the provision of identifying or supporting information.

Criterion 6.3—

Sub-Criterion (a)

116. Supranational measures. At the EU level, all member states are required to provide each other with all available relevant information to identify persons meeting the criteria for designation (CP 2001/931/CFSP, Art.4; EC Regulation 2580/2001, art.8; EC Regulation 881/2002, Art.8).

117. Domestic measures. The Federal Minister of Finance and the Federal Minister of the Interior, in agreement with the Federal Minister for European and International Affairs, each have legal authority for (making proposals for) designation and to collect or solicit information to identify persons and entities that meet the criteria for designation (Art. 12 (6) of SanktG 2024). Austria's operational agencies and LEAs have relevant powers to collect and share

information to identify targets for designation based on and to the extent provided for in the SPG and the StPO (R. 31 and R.2).

Sub-Criterion (b)

118. *Supranational measures.* At the EU level, designations take place without prior notice (EC Regulation 1286/2009, preamble para.5).

119. *Domestic measures.* The explanatory memorandum to the SanktG 2024 provides that designations should take place without prior notice.

Freezing

Criterion 6.4—

120. *Supranational measures.* At the EU level, implementation of TFS, pursuant to UNSCRs 1267/1989 and 1988, does not occur “without delay.” This is due to the time taken to consult between European Commission departments and the translation of Commission or Council Implementing Regulations containing the designation into all official EU languages. Though expedited procedures allow for implementation within 72 hours.

121. *For TFS under the UNSCR 1373 mechanism, these measures are implemented without delay, except in respect of EU internals.* New designations are published on the day they are adopted and enter into force the same day. Once the decision to freeze has been taken, EU Regulation 2580/2001 is immediately applicable within all EU Member States.

122. *Domestic measures.* For TFS under UNSCR 1267, Austria can issue freezing/prohibition orders that apply domestically to mitigate the delay in implementation under the EU mechanism referred to above (Art. 2, (3) of the SanktG 2024). Upon receipt of information of a designation by the 1267/1988 and 1989 Committees, the Federal Minister of Finance, after having obtained the consent of the Federal Minister for the Interior and the Federal Minister for European and International Affairs, has the power to adopt an ordinance implementing TFS against the designated persons or entities. The ordinance enters immediately into force upon publication on the BMF’s public website and remains in force until the transposition at EU level is in force and effect. Austria has for the first time successfully used this framework following the designation under UNSCR 1267 on June 16, 2025.

123. *For 1373 designations made outside the EU mechanism, the Federal Minister of Finance, after having obtained the consent of the Federal Minister for the Interior and the Federal Minister for European and International Affairs, has the power to adopt an ordinance to designate persons or entities at Austria’s own motion or at the request of another country.* The ordinance enters immediately into force upon publication on the BMF’s public website.

Criterion 6.5—

Sub-Criterion (a)

124. *Supranational measures.* At the EU level, for 1373 designations, there is no requirement to freeze assets of listed individuals that are EU internals. Listed EU internals are only subject to increased police and judicial cooperation among members (CP 2001/931/CFSP footnote 1 of Annex 1).

125. Under UNSCRs 1267/1989, 1988, 1373 all natural and legal persons within or associated with the EU are required to freeze without prior notice and delay the funds or other assets of designated persons and entities (EU Regulation 753/2011, arts.1, 14; EU Regulation 881/2002, arts. 2(1), 11; EU Regulation 2580/2001, arts.2(1)(a) and 10).

126. *Domestic measures.* For domestic designations, both for bridging delays in transposition of UNSCRs 1267/1989 and 1988 at EU level (cf. 6.4 above) and domestic designations under UNSCRs 1373, including designations of EU internals, the Federal Minister of Finance has the power to order the freezing without delay and without prior notice by all natural and legal persons as part of the Ordinance he/she will issue when designating individuals and entities based on Art. 2 of the SanktG 2024.

Sub-Criterion (b)

127. *Supranational measures.* At the EU level, freezing actions for UNSCRs 1267/1989 and 1988 extend to all funds and economic resources belonging to, owned, held, or controlled, either directly or indirectly, by a designated person or entity, or by a third party acting on their behalf or at their direction. This extends to interest, dividends or other income on or value accruing from or generated by assets (EU Regulation 881/2002, Arts. 1(1), 2; EU Regulation 753/2011, Arts. 1(a), 3). This does not explicitly cover jointly-owned assets, although this interpretation is taken in non-binding EU Best Practices on sanctions implementation (EC document 8519/18, para. 34–35).

128. Under the EU mechanism on UNSCR 1373, the freezing obligation applies to all funds, other financial assets and economic resources belonging to, or owned or held by the designated person or entity (EU Regulation 2580/2001, arts.1(1), 2(1)). There is no explicit reference to funds or assets controlled by, indirectly owned by, derived from assets owned by, or owned by a person acting at the direction of a designated person or entity. However, this gap is largely mitigated by the EC's ability to designate any legal person or entity controlled by, or any natural or legal person acting on behalf of, a designated person or entity (EU Regulation 2580/2001, art.2(3) (iii) and (iv)). As above, the notion of joint ownership is not explicitly covered, although this interpretation is taken in non-binding EU Best Practices (EC document 8518/18, para.35).

129. *Domestic measures.* Freezing actions under the SanktG 2024 extend to all funds and economic resources of designated persons or entities, of entities owned or controlled directly

or indirectly by designated persons or entities, and of persons and entities acting on behalf of, or at the direction of designated persons or entities or entities owned or controlled by designated persons or entities. The notion of joint ownership is not explicitly covered, but Austria indicates that the interpretation given in the EU Best Practices (EC document 8518/18, para. 35) would apply.

Sub-Criterion (c)

130. *Supranational measures.* At the EU level, natural and legal persons are prohibited from making funds, other assets or economic resources available unless authorized (EU Regulation 881/2002, art.2(2), (3); EU Regulation 753/2011, art.3(2); EU Regulation 2580/2001, art.2(1)(b)). The EU UNSCR 1373 mechanism explicitly extends to the provision of financial services (EU Regulation 2580/2001, art.2(2)). While there is no similar explicit prohibition in the EU UNSCR 1267/1989 and 1988 mechanism, this is covered by the broad definition of funds and other assets (economic resources) and the prohibition to make available assets that can be used to obtain such services (EU Regulation 881/2002, art.1(2); EU Regulation 753/2011, art.1(c)). However, deficiencies in respect of freezing obligations noted under c.6.5(a) for EU internals apply to this criterion.

131. *Domestic measures.* For domestic designations, both for bridging delays in transposition of UNSCRs 1267/1989 and 1988 at EU level (c.6.4) and domestic designations under UNSCRs 1373, including designations of EU internals, the Federal Minister of Finance has the power to order the prohibition for all natural and legal persons from making any funds or other assets, economic resources, or financial or other related services, available, directly or indirectly, wholly or jointly, for the benefit of designated individuals and entities; entities owned or controlled, directly or indirectly, by designated individuals and entities; and persons and entities acting on behalf of, or at the direction of designated individuals and entities, unless licensed, authorized, or otherwise notified in accordance with the relevant UNSCRs (Art. 2 of the SanktG 2024).

Sub-Criterion (d)

132. *Supranational measures.* At the EU level, information on EU designations is published in the Official Journal of the EU and included in the EU's Financial Sanctions Database the next working day (which includes a newsletter service to which FIs and DNFBPs can subscribe), though there may be delays to updates via the newsletter service in case of designations on Fridays or over the weekend. Guidance in relation to EU sanctions is published on the website of the European Commission.

133. *Domestic measures.* The OeNB issued clear guidance for FIs on their obligations under freezing mechanisms. At the time of the onsite visit, guidance on the TF-TFS requirements for

VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs did not exist.³ Following the publication of an EU designation in the EU Official Journal or the publication of a domestic designation on BMF's public website, the OeNB informs the Chamber of Commerce (WKÖ) about the designation. The WKÖ then immediately circulates this information to all FIs and VASPs. Similarly, the BMJ informs the Austrian Chamber of Civil Law Notaries and the Austrian Bars, which in turn make the information available to their members, albeit not immediately, as required under this sub-criterion. Similarly, communication mechanisms to inform insurance intermediaries and DNFBPs (other than notaries and lawyers) of designations and de-listings do not ensure timely transmission of the information.

Sub-Criterion (e)

134. *Supranational measures.* At the EU level, all natural and legal persons (including FIs and DNFBPs) are required to report any information which would facilitate compliance with TFS obligations to their respective national competent authorities. This requirement does not explicitly extend to reporting attempted transactions, although this is covered by the requirement to report "any information which would facilitate compliance" with the relevant Regulations. The scope gap in obligations in respect of 1373 designations (EU internals) also applies to this criterion. (EU Regulation 753/2011, art.8; EC Regulation 881/2002, art.5(1); EU Regulation 2580/2001, art.4).

135. *Domestic measures.* At the national level (i.e., for domestic designations for bridging delays in transposition of UNSCRs 1267/1989 and 1988 at EU level (c.6.4) and domestic designations on Austria's own motion under UNSCRs 1373, including designations of EU internals), FIs are required to report funds or economic resources held by designated persons or entities to the OeNB (Art. 12, (8) and (9) of the SanktG 2024). The reporting requirement does not specifically extend to attempted transactions, nor does it apply to VASPs, insurance intermediaries, ISPs, asset managers and DNFBPs.

Sub-Criterion (f)

136. *Supranational measures.* At the EU level, for 1267/1989, 1988 and 1373 designations, third parties acting in good faith are protected (EU Regulation 753/2011, amended by EU Regulation 1286/2009, and 2016/1686 art. 12 and 13, art.6 and 7; EU Regulation 881/2002, art.6; EU Regulation 2580/2001, art.6).

137. *Domestic measures.* For national measures, a non-liability clause is provided in Art. 9 of the SanktG 2024.

³ On September 16, 2025, DSN published high-level guidance for the implementation of financial sanctions, including but not limited to TFS, on its website.

Criterion 6.6—***Sub-Criterion (a)***

138. *Supranational measures.* At the EU level, for designations under the 1267/1989 and 1988 mechanisms, there are procedures to submit de-listing requests to the relevant UN Sanctions Committee in line with Committee procedures (EU Regulation 881/2002, art.7c; EU Regulation 753/2011, art.11(4)). EU measures imposing targeted financial sanctions pursuant to 1267/1989 and 1988 may be challenged by instituting proceedings before the EU Court of Justice (art.263, par.4 and art.275, par.2 of the Treaty on the Functioning of the European Union for challenging EU regulations or CFSP Decisions.).

139. *Domestic measures.* There are publicly known procedures to submit de-listing requests to the relevant UN sanctions committee or the EU (SanktG 2024, Art. 3(2) and (3), and explanatory memorandum to the SanktG 2024).

Sub-Criterion (b)

140. At the EU level, de-listing procedures are available for designations under the 1373 mechanism under EU Regulation 2580/2001.

141. *Domestic measures.* There are publicly known procedures or mechanisms in place to de-list and unfreeze the funds or other assets designated under the domestic mechanism (SanktG 2024, Art. 4(2) and explanatory memorandum to the SanktG 2024).

Sub-Criterion (c)

142. At the EU level, a person or entities designated under the 1373 mechanism can write to the EU Council to have the designation reviewed by COMET WP (CP 2001/931/CFSP) or may institute a proceeding before the EU Court of Justice (Treaty on the Functioning of the European Union, arts.263(4), 275(2)).

143. *Domestic measures.* Considering that a domestic designation is issued by ordinance in accordance with Art. 2 or Art. 4 of SanktG 2024, a person designated by such an ordinance may file an appeal with the Constitutional Court in line with Art. 139 (1) sub-para 3 of the Federal Constitutional Law.

Sub-Criterion (d) and (e)

144. *Supranational measures.* At the EU level, persons designated under UNSCR 1267 etc. and 1988 are informed of applicable de-listing procedures, which include the availability of the focal point (for designations under UNSCR 1989) and the UN Office of the ombudsperson (for UNSCR 1267/1989 designations). (EU Regulation 881/2002, art.7(a); EU Regulation 753/2011, art.11(4)).

145. Domestic measures. At the national level, there are procedures in place to ensure that persons designated under relevant UNSCRs are informed of applicable de-listing procedures (SanktG 2024, Art. 4(2) and explanatory memorandum to the SanktG 2024).

Sub-Criterion (f)

146. Supranational measures. At the EU level, there are procedures to handle cases of mistaken identity (EC document 8519/18, paras.8-17, 37).

147. Domestic measures. At the national level, there are no publicly known procedures to handle cases of mistaken identity. The OeNB published guidance for FIs on its website to inform them of the possibility to obtain its assistance in verifying whether persons or entities having the same or a similar name as designated persons or entities (i.e. a false positive) are inadvertently affected by a freezing mechanism. Similar guidance for insurance intermediaries, VASPs, ISPs, asset managers, and DNFBPs does not exist.⁴

Sub-Criterion (g)

148. Supranational measures. At the EU level, de-listings are communicated via publication of updated lists in the EU official journal and notifications within the EU sanctions database for subscribers. Guidance mentioned under c.6.5.d) also contains information on the obligations to respect a de-listing action.

149. Domestic measures. The measures set out in c.6.5(d) would also be applied for communication of de-listings. However, at the time of the onsite visit, guidance for VASPs, insurance intermediaries, ISPs, asset managers and DNFBPs on their obligations to respect a de-listing or unfreezing action had not yet been issued.

De-listing, Unfreezing and Providing Access to Frozen Funds or Other Assets

Criterion 6.7—

150. Supranational measures. At the EU level, the regulations imposing TFS obligations contain measures for national competent authorities to authorize access to frozen funds, where necessary for basic expenses or the payment of certain expenses in line with UNSCR 1452 (EU Regulation 881/2002, art.2a; EU Regulation 753/2011, art.5; EU Regulation 2580/2001, arts.5, 6).

151. Domestic measures. The OeNB has the authority to grant access to frozen funds pursuant to Art. 5 of the SanktG 2024 (Art. 6, para 1 of the SanktG 2024). A humanitarian

⁴ DSN's recent guidance referred to in the footnote to c.6.5(d) does not address this topic.

exemption in accordance with UNSCR 2664 may be granted based on Art. 2, (1), 9 of the SanktG 2024.

152. *Weighting and conclusion* – Austria implements TF TFS through EU decisions and regulations, complemented by new domestic legislation, which was first implemented in June 2025 and provides for domestic measures mitigating delays in implementation at EU level. Procedures guiding implementation on aspects relevant for c.6.1 and c.6.2 are in place. Deficiencies in c.6.5(e) regarding domestic designations remain (i.e., the reporting requirement does not specifically extend to attempted transactions, nor does it apply to VASPs, insurance intermediaries, ISPs, asset managers and DNFBPs). Communication mechanisms to inform insurance intermediaries and DNFBPs of designations and de-listings do not ensure immediate transmission of the information (c.6.5(d) and c.6.6(g)). At the national level, there are no publicly known procedures to handle cases of mistaken identity (c.6.6(f)). Recommendation 6 is rated **largely compliant**.

Recommendation 7—Targeted Financial Sanctions Related to Proliferation

153. Recommendation 7 was rated partially compliant in the 2016 MER and in the 2018 FUR. Moderate shortcomings were noted in relation to ability to ensure asset freezing without delay.

154. R.7 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

155. Austria implements PF TFS through EU decisions and regulations, complemented by domestic legislation.⁵

Criterion 7.1—

156. *Supranational measures.* At the EU level, implementation of TFS, pursuant to UNSCR 1718, does not occur “without delay.” This is due to the time taken to consult between European Commission departments and the translation of Commission or Council Implementing Regulations containing the designation into all official EU languages.

157. *Domestic measures.* The mechanism to bridge delays in implementation at the EU level set out in c.6.4 also applies to c.7.1.

Criterion 7.2—

Sub-Criterion (a)

⁵ At the EU level, UNSCR 1718 (2006) on DPRK and its successor resolutions are implemented through Council Decision (CFSP) 2016/849/CFSP and EU Regulation 2017/1509

158. *Supranational measures.* At the EU level, all natural and legal persons within the EU are required to freeze the funds or other assets of designated persons or entities as soon as a designation is published, i.e., without prior notice (EU Regulation 2017/1509, art.1 and 2).

Though delays in implementation apply as described under c.7.1.

159. *Domestic measures.* For designations at the national level (as per bridging mechanism referred to in c.7.1), the Federal Minister of Finance has the power to order the freezing without delay and without prior notice for all natural and legal persons as part of the Ordinance he/she will issue when designating individuals and entities based on Art. 2 of the SanktG 2024.

Sub-Criterion (b)

160. *Supranational measures.* At the EU level, freezing actions for UNSCR 1718 extend to all funds and economic resources belonging to, owned, held, or controlled, either directly or indirectly, by a designated person or entity, and includes assets generated from such funds (EU Regulation 2017/1509, art. 34).

161. This does not explicitly cover jointly owned assets, although this interpretation is taken in non-binding EU Best Practices on sanctions implementation (EC document 8519/18, para.34-35).

162. While the definition does not explicitly cover funds or assets of persons acting on behalf or at the direction of a designated person or entity, this is largely captured by the coverage of funds “controlled” by the designated person (Para 55b. of the Guidelines on implementation and evaluation of restrictive measures (sanctions) in the framework of the EU Common Foreign and Security Policy).

163. *Domestic measures.* See c.6.5(b).

Sub-Criterion (c)

164. *Supranational measures.* At the EU level, EU nationals and natural and legal persons within the EU are prohibited from making funds and other assets available unless otherwise authorized or notified in compliance with the relevant UNSCRs (EU regulation 2017/1509, art.34(3)). Regulations apply to any natural or legal person, entity, body, or group in respect of any business done in whole or in part within the EU.

165. *Domestic measures.* At the national level, (as per the bridging mechanism referred in c.7.1), the Federal Minister of Finance has the power to order the prohibition for all natural and legal persons as part of the Ordinance he/she will issue when designating individuals and entities based on Art. 2 of the SanktG 2024. The SanktG2024 contains provisions allowing to waive those restrictive measures only if authorized, licensed or otherwise notified in accordance with UNSCRs (Art. 5 and 6).

Sub-Criterion (d)

166. Supranational measures. At the EU level, the same mechanism to communicate PF TFS is used as for TF TFS (see c.6.5(d)).

167. Domestic measures. See c.6.5(d).

Sub-Criterion (e)

168. Supranational measures. At the EU level, all natural and legal persons (incl. FIs and DNFBPs) are required to report any information which would facilitate compliance with TFS obligations (EU Regulation 2017/1509, art. 50). This requirement does not explicitly extend to reporting attempted transactions, although this is covered by the requirement to report “any information which would facilitate compliance” with the relevant Regulations.

169. Domestic measures. For domestic designations for bridging delays in transposition of UNSCR 1718 at EU level (c.7.1), FIs are required to report funds or economic resources held by designated persons or entities to the OeNB (Art. 12, (8) and (9) of the SanktG 2024). The reporting requirement does not specifically extend to attempted transactions, nor does it apply to VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs.

Sub-Criterion (f)

170. Supranational measures. At the EU level, protections are in place for third parties acting in good faith (EU Regulation 2017/1509, art.54).

171. Domestic measures. See c.6.5(f).

Criterion 7.3—

172. Domestic measures. The OeNB monitors FIs for compliance with TFS (Art. 12, (2) of the SanktG 2024). The DSN is the designated authority for ensuring compliance with TFS obligations by VASPs, insurance intermediaries, ISPs, asset managers and DNFBPs (Art. 12, (1) of the SanktG 2024) but did not monitor these OEs for compliance in line with R.7 requirements. The SanktG 2024 transfers the responsibility of TFS supervision of all FIs and VASPs to the FMA and at the time of the onsite visit, all practical arrangements for this strategic change, which will be effective as of January 1, 2026, were already in place. The supervisory authorities have the power to request necessary information from natural and legal persons to identify and process data. This power also extends to inspection of books, documents and electronic data storage devices (Art. 12, (3) of the SanktG 2024).

173. The SanktG 2024 contains a range of proportionate and dissuasive criminal and administrative sanctions (imprisonment varying from six weeks to five years and fines up to EUR 150,000) for violations of the EU and national freezing and prohibition requirements (Art. 16 and 17 of the SanktG 2024). In addition, a violation of the reporting requirements is an

administrative offense punishable with a fine of up to EUR 150,000 and, when committed repeatedly or systematically, a fine up to EUR 5,000,000 (Art. 18 of the SanktG 2024).

Criterion 7.4—

Sub-Criterion (a)

174. Supranational measures. At the EU level, listed persons are informed of their ability to petition the UN Focal Point or their own government for de-listing, through the EU Best Practices document for the effective implementation of restrictive measures (page 11, para. 23).

175. Domestic measures. See c.6.6(a).

Sub-Criterion (b)

176. Supranational measures. At the EU level, procedures for unfreezing funds due to cases of mistaken identity are the same as those described under c.6.6(f).

177. Domestic measures. See c.6.6(f).

Sub-Criterion (c)

178. Supranational measures. At the EU level, the regulation imposing TFS obligations under UNSCR 1718 contains measures for national competent authorities to authorize access to frozen funds or other assets under the conditions set out in UNSCR 1718 (EU Regulation 2017/1509, art. 35-36).

179. Domestic measures. At the national level, while the SanktG2024 contains an overview of the competent authorities for granting access to frozen funds if necessary, including in respect of UN designations, there are no publicly known procedures in place.

Sub-Criterion (d)

180. Supranational measures. At the EU level, de-listings are communicated via publication of updated lists in the EU official journal and notifications within the EU sanctions database for subscribers. Guidance mentioned under c7.2(d) also contains information on the obligations to respect a de-listing action.

181. Domestic measures. See c.6.6(g).

Criterion 7.5—

Sub-Criterion (a)

182. *Supranational measures.* At the EU level, regulations permit the addition of interests or other sums due on those accounts or payments due under contracts, agreements or obligations that arose prior to the date on which those accounts became subject to the provisions of this resolution, provided that these amounts are also subject to freezing measures (EU Regulation 2017/1509, art. 34(9)).

183. *Domestic measures.* For designations at the national level (in application of the bridging mechanism referred to in c.7.1), similar rules as those set out in the supranational measures apply (Art. 5, (2) of the SanktG 2024).

Sub-Criterion (b)

184. This sub-criterion is not applicable, as the TFS elements of UNSCR 2231 expired on 18 October 2023.

185. *Weighting and conclusion*—Austria relies primarily on the EU framework for implementing TFS, which is not entirely perfect. Austria recently adopted new legislation to provide for national measures aimed at mitigating deficiencies in the EU framework (i.e., delays in implementation). Despite this progress, some deficiencies in the domestic framework remain. For domestic designations for bridging delays in transposition of UNSCR 1718 at EU level, the reporting requirement does not specifically extend to attempted transactions and VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs are not yet required to report to competent authorities in line with c.7.2, implementation of TFS by VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs is not yet being monitored (c.7.3), communication mechanisms to inform insurance intermediaries and DNFBPs of designations and de-listings do not ensure timely transmission of the information, as per the requirements of c.7.4. Considering that the new legal framework contains strategically important changes, including a clear reporting requirement for VASPs and transfer of supervisory competence of all FIs and VASPs, and practical arrangements to implement these changes as of January 1, 2026 were already in place at the time of the onsite visit, deficiencies in c.7.2 and c.7.3 have not been heavily weighted. Recommendation 7 is rated **largely compliant**.

Recommendation 8—Non-Profit Organizations (NPOs)

186. Recommendation 8 was rated partially compliant in the 2016 MER and in the 2017 FUR. Moderate deficiencies were identified as Austria had not reviewed the adequacy of laws and regulations that relate to NPOs that can be abused for TF, nor had undertaken a sectorial TF risk assessment of its NPO sector to identify those at risk of being misused.

187. R.8 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed. This new assessment has been made against recently amended Standards, as changes for R.8 were adopted by FATF Plenary in October 2023.

Taking a Risk-Based Approach

Criterion 8.1—

188. Austria's NPO risk assessment 2024 identified around 135,000 active legal entities working in the not-for-profit realm. Around 95 percent of them are set up as associations. The remaining five percent operate as not-for-profit corporations, not-for-profit cooperatives, and not-for-profit foundations. Austria monitors and updates its analysis of TF risks of NPOs on an ongoing basis, and the NPO risk assessment report is to be updated periodically.

189. (a) Austria has identified the subset of organizations that fall within the FATF definition of NPOs. Out of the total of 135,000 organizations referred to above, 1,200 fall under the FATF definition of NPO (hereafter collectively referred to as the NPO sector).

190. (b) Austria used a very wide range of information sources for its NPO risk assessment to identify the nature of TF risks posed to NPOs, including through the consideration of various TF threat scenarios. The risk assessment concluded that out of the 1,200 NPOs which fall under within the FATF definition of NPO, a subset of 80 (75 set up as an association and 5 set up as a foundation) or 0.06 percent of the Austrian NPO sector are potentially exposed to TF. The overall TF risk of the NPO sector is assessed as low while the TF risk of the 80 NPOs potentially exposed to TF is assessed as moderate to high.

191. (c) Austria has in place focused, proportionate, and risk-based measures to mitigate the identified TF risks, using a risk-based approach. These include a PPP with the NPO sector, dedicated information and awareness raising materials and outreach events, all of which primarily target those NPOs identified as potentially exposed to TF. The tax office⁶ is tasked with risk-based oversight of the sector and therefore considers TF risks in its identification of NPOs for audit and inspection, including the verification of implementation of measures to ensure integrity of financial management⁷ and address TF risks. These measures are complemented by a wide range of self-regulatory measures implemented by the majority of NPOs.

Sustained Outreach Concerning Terrorist Financing Issues

Criterion 8.2—

192. (a) Austria has clear policies to promote accountability, integrity, and public confidence in the administration and management of NPOs. Sections 1, 2, 3, 4, 6 and 22 of the

⁶ Any legal or natural person in Austria is taxable in principle and can be subject to audit by the tax authority (Art. 1 Income Tax Act, Art. 1 Corporate Tax Act). On that basis, all NPOs can be subject to audit and inspection by the tax authority. Whenever the tax office has suspicions of ML/TF, it is obliged to submit an STR to the A-FIU (Art. 18 para. 1 FM-GwG).

⁷ Integrity of financial management means ensuring that funds are used in line with the NPO's purpose and no financial crimes such as fraud, tax evasion, ML, or TF are taking place.

Associations Act (*Vereinsgesetz*—VerG) set out for all associations, including NPOs, the prerequisites for the foundation, organization, registration, financial management, and the dissolution of an association. Similar measures are in place for charitable foundations (Art. 6, 7, 9 and 19 to 24 of the Federal Act on Foundations and Funds—BStFG). Associations are registered in the Associations Register and charitable foundations in the Register of Foundations and Funds, and both associations and charitable foundations are registered in the central Beneficial Ownership Register (c.R.24). Information included in these registers is publicly available. To qualify for support from donors, such as the Austrian Development Agency and the European Commission's European Commission, NPOs are required to implement integrity and financial crime prevention measures.

193. (b) Austria undertakes outreach and educational programs to raise awareness about the potential vulnerabilities of NPOs to TF abuse and mitigating measures. The BMF has established the PPP NPOs which allows for exchange of information and produced guidelines on measures to prevent TF. In addition, the BMF and the NPO umbrella organizations organize workshops on CFT in cooperation with other relevant competent authorities (including the DSN). The Austrian Fundraising Association interacts on a regular basis with the donor community to raise awareness and strengthen transparency among the donor community, including through surveys and annual reports.

194. (c) The Austrian authorities actively work with NPOs to develop and promote best practices to prevent TF and publish these on the BMF's website. These best practices, drafted and updated through the PPP NPOs, include among others advice related to financial transparency in NPOs; project management, working with credit and financial institutions and how to proceed in suspicious cases. In addition, these best practices are discussed and further refined during regular workshops for the sector on the prevention of TF organized by the BMF and workshops held by the NPO sector itself.

195. (d) Austria encourages NPOs to conduct transactions via regulated financial and payment channels instead of cash through the BMF's website, outreach sessions, and its annual NPO questionnaire.

Focused, Proportionate and Risk-Based Oversight or Monitoring of NPOs

Criterion 8.3—

196. (a) Austria has taken steps to promote focused, proportionate, and risk-based oversight of NPOs. Based on the responses to the annual questionnaire (c.8.2(b)) and an internal note setting out TF red flags, the selection criteria of the Austrian tax office have been revised to better target inspections of NPOs identified as potentially exposed to TF. The scope of the oversight for NPOs potentially exposed to TF specifically covers their implementation of measures to mitigate TF risks.

197. (b) Austria has various focused, proportionate, and risk-based measures applying to NPOs in place that cover registration and good governance (c.8.2(a)). The VerG and BStFG also

contain a set of controls to ensure that funds managed by associations and charitable foundations are accounted for.

Criterion 8.4—

198. (a) NPOs potentially exposed to TF are subject to focused, proportionate, and risk-based oversight (c.8.3(b)). Individual NPOs that the tax office has identified as presenting a very high, high, and medium TF risk are prioritized for inspection.

199. (b) In case of non-compliance with the accountability and integrity requirements set out in corporate, accounting, and tax legislation, all NPOs are subject to a range of proportionate and dissuasive sanctions (varying from revocation of the tax exempted status to dissolving an association or charitable foundation, imprisonment between 1 and 10 years, and fines up to EUR 2.5 million for natural persons and EUR 8 million for the organizations themselves). The sanctions referred to in R.24 apply for failure to comply with the registration requirements. Criminal sanctions apply if NPOs are involved in ML or TF, or in financial crimes (cf. R.3 and R.5).

Effective Information Gathering and Investigation

Criterion 8.5—

200. (a) Austria ensures effective co-operation, co-ordination, and information-sharing among all levels of appropriate authorities and organizations that hold relevant information on NPOs. Examples are the NPO-related discussions in the NCC (c.2.4), relevant measures include the PPP NPOs (c.8.1), regular meetings between relevant units in the MoF, including the tax authority, between DSN and the A-FIU as part of the IPCM, and cooperation and exchange of information between the DSN and the nine Provincial police directorates.

201. (b) DSN has the necessary investigative expertise and capability to examine NPOs suspected of either being exploited by, or actively supporting, terrorist activity or terrorist organizations. It can access the information listed in c.8.5(c) below and use its powers set out in c.31.1. Investigators benefit from an internal directive setting out how to deal with NPOs suspected of being involved in or misused for TF. In addition, information and experience gained through investigations, including when NPOs are involved, is shared during specific TF-related trainings to increase investigative capacity.

202. (c) DSN, other LEAs and the tax authority can access relevant information on the administration and management of NPOs (including financial and programmatic information) during an investigation. They have direct access to the Beneficial Ownership Register, which includes beneficial ownership information on NPOs (c. 8.3(b), c.24.9). DSN or other LEAs can request information from the tax authority for use in investigations and use general police and powers to gather more information on individual NPOs, including search of premises, objects, and persons (c.31.1).

203. (d) Austria has appropriate mechanisms in place to ensure that information on NPOs suspected to be involved in TF, including instances set out in (1) to (3) of this sub-criterion, is promptly shared with competent authorities. OEs and competent authorities, including the tax authority, are required to promptly submit TF-related STRs to the A-FIU (c.21.1 and c.23.1). The operational mechanisms set out in (a) of this sub-criterion allows to promptly share information.

Effective Capacity to Respond to International Requests for Information About an NPO of Concern

Criterion 8.6—

204. Requests relating to NPOs are handled as other international cooperation requests. Both the A-FIU and DSN have a SPOC for their international information exchange and immediately deal with and/or forward requests related to NPOs to relevant competent authorities.

205. Weighting and conclusion—Austria meets all the requirements of R.8. Recommendation 8 is rated **compliant**.

Recommendation 9—Financial Institution Secrecy Laws

206. Recommendation 9 was rated largely compliant in the Austria 2016 MER, and re-rated compliant in the FUR 2017.

207. R.9 was not under review. The text is copied from the MER 2016 and FURs with minor non-substantive edits.

Criterion 9.1—

208. The banking secrecy requirement is set out in Art. 38 para.1 BWG as follows: CIs, their members, members of their governing bodies, their employees as well as any other persons acting on behalf of CIs are prohibited from divulging or exploiting secrets which are revealed or made accessible to them exclusively on the basis of business relations with customers. There are instances where the obligation to maintain banking secrecy does not apply, in particular, when disclosing information:

- to public prosecutors and criminal courts in connection with criminal court proceedings on the basis of a court approval (pursuant to Art.116, StPO) (c.4.2 and c.31.3) and to the fiscal authorities in connection with initiated criminal proceedings, except in the case of financial misdemeanors (Art.38 (2) 1, BWG);
- to the central Money-Laundering Reporting Office (the A-FIU) pursuant to its requests in the framework of its AML/CFT responsibilities, regardless of whether a STR has been filed or not (Art.38 (2) 2, BWG);

- to the FMA in the framework of its supervision function pursuant to Art.70 (1), BWG. In this case the banking secrecy is extended to FMA staff in the framework of the performance of their duties (banking supervision);
- in the case of obligations to provide information to the FMA pursuant to the Securities Supervision Act (WAG) and the BörseG (Art. 38 (2) 9, BWG);
- for the purposes of the automatic exchange of information about financial accounts pursuant to the Act on Common Reporting Standards (*Gemeinsamer Meldestandard-Gesetz*) (Art. 38 (2) 10, BWG);
- towards government tax authorities in regard to a request for information pursuant to Art. 8 of the Account Register and Account Inspection Act (KontRegG; *Kontenregister- und Konteneinschaugesetz*) (Art. 38 (2) 11, BWG);
- to the central bank account registry (Art. 38 (2) 12, BWG);
- to public prosecutors and criminal courts for purposes of criminal investigations and proceedings through a request of information to the central bank account registry (Art. 38 (2) 12, BWG);
- with regard to reporting obligations defined in Arts. 3 and 5 of the Capital Outflows Reporting Act (*Kapitalabfluss-Meldegesetz*) (Art. 38 (2) 13, BWG);
- with regard to the provision of information pursuant to Art. (16) 6, FM-GwG and the exchanging of information pursuant to Art. 22 (2) and Art. 24 (6), FM-GwG respectively for the prevention of ML and TF (Art. 38 (2) 14, BWG); and
- regarding the obligation to make a submission pursuant to Art. (18a) 8 of the Value Added Tax Act 1994 (UStG 1994; *Umsatzsteuergesetz* 1994), (Art. 38 (2) 15, BWG).

209. Law enforcement has the authority to request records from FIs.

210. Austria has created an electronic register of account information which law enforcement agencies can access electronically without a court order (Art.4, Accounts Register Act.; Art. 116 (6), Criminal Procedure Code). Insurance intermediaries are covered by the respective provision (Art. 365w, GewO).

211. There are separate provisions concerning professional secrecy in case of investment firms and investment services undertakings (Art.8 (1), WAG), PSPs (Art.20 (5), ZaDiG), e-money issuers (Art.13 (2), E-GeldG), and insurance undertakings (Art.321, VAG). However, in each case, there are limitations to the secrecy in case when the disclosure or use is justified as to content and form by a public or a legitimate private interest, or when it runs contrary to a statutory disclosure obligation.

212. There are no provisions concerning professional secrecy with regard to undertakings for collective investment in transferable securities (UCITs), alternative investment fund managers or VASPs.

213. The cross-border exchange of information between supervisory authorities is permitted to the extent it does not violate professional secrecy (Arts.77 (1) and (5), BWG). However, the submission of information to authorities in (non-EU) third countries pursuant to the FM-GwG is only permissible, if they are subject to or have agreed to an equivalent level of professional secrecy that corresponds to that of the respective European legal acts.

214. *Weighting and conclusion*—Overall, FI secrecy laws do not impede the application of the FATF Recommendations. Recommendation 9 is rated **compliant**.

Recommendation 10—Customer Due Diligence

215. Recommendation 10 was rated largely compliant in the Austria 2016 MER, and re-rated compliant in the FUR 2017.

216. R.10 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 10.1—

217. FIs are prohibited from keeping anonymous accounts, anonymous savings account passbooks or anonymous safe-deposit boxes (Art.12 (2), FM-GwG), and the use of obviously fictitious names is implicitly prohibited following the obligations to identify and verify the identity of the customer (c.10.3) and keeping customer information up-to-date (c.10.7).

218. Insurance intermediaries are prohibited from holding anonymous accounts following Art. 365u (7) of the GewO.

When CDD is Required

Criterion 10.2—

219. FIs are required to apply CDD measures pursuant to Art. 6 of the FM-GwG under the following circumstances:

- before establishing business relationship (Art.5, no. 1 of the FM-GwG; Art.365o no.1, GewO);
- before carrying out occasional transactions above the threshold of EUR 15,000, including when there are several transactions under the threshold that appear to be linked (Art 5 no.2, FM-GwG; Art.365o no.2, GewO);
- when carrying out occasional transactions involving a transfer of funds as defined in Art. 3 (9) of EU Regulation No. 2015/847 exceeding EUR 1 000 (Art. 5, no. 2, FM-GwG);

- when there is a suspicion of ML/TF or membership of a terrorist organization (Art. 5 no.4, FM-GwG; Art.365o no.4, GewO);
- when there are doubts as to the veracity and adequacy or previously obtained information (Art. 5 no. 5, FM-GwG; Art.365o no.5, GewO).

Required CDD Measures for all Customers

Criterion 10.3—

220. FIs are obliged to identify and verify the identity of a customer on the basis of documents, data, and information obtained from a reliable and independent source. In case of a natural person, the identity is to be ascertained by the personal presentation of an official photo identification document. For this purpose, documents which are issued by a government authority, and which bear a non-replaceable, recognizable photograph of the head of the person and include the name, date of birth and signature of the person as well as the authority that issued the document are deemed to meet this condition. In the case of natural persons who are not legally competent and legal persons, the identity of the natural person authorized to represent the former is to be verified by presentation of the latter's official photo identification document and the power of representation is to be verified by means of suitable documents. The identity of the legal person must be ascertained on the basis of meaningful supporting documentation available under the usual legal standards of the country where the legal person is incorporated (Art.6 (1) no. 1, FM-GwG; Art.365p (1) no.1, GewO). There are no similar requirements on the verification of the identity of legal arrangements (c.10.9).

Criterion 10.4—

221. FIs are required to verify the “power of representation” and to identify and verify the identity of those persons claiming to act on behalf of the customer (Art. 6(1), FM-GwG; Art. 365p (1), GewO).

Criterion 10.5—

222. FIs must identify the beneficial owner and take reasonable measures to verify that person’s identity to satisfy themselves that they know who the beneficial owner is (Art. 6 (1), no. 2, FM-GwG; Art.365p (1), no.2, GewO). Therefore, relevant information or data obtained from a reliable source must be used (section 4.2.7 of the FMA Circular on Due Diligence Obligations as well).

Criterion 10.6—

223. FIs must understand and obtain information on the purpose and nature of the intended business relationship (Art.6 (1), no.3, FM-GwG; Art.365p (1), no.3, GewO).

Criterion 10.7—

224. FIs must conduct ongoing monitoring of the business relationship, including scrutiny of transactions undertaken throughout the course of that relationship, to ensure that the transactions conducted are consistent with the institution's knowledge of the customer, the customer's business and risk profile. This includes, where necessary, the source of funds, and ensuring that the documents, data or information held are kept up-to-date and relevant by undertaking risk-based reviews, both periodically and ad hoc (Art.6 para.1 nos.6 and 7 FM-GwG, Art.365p para.1 no.4 GewO, and section 4.6 of FMA Circular on Due Diligence Obligations).

Specific CDD Measures Required for Legal Persons and Legal Arrangements**Criterion 10.8—**

225. In case the client is a legal person or arrangement, FIs must take reasonable measures in order to understand the ownership and control structure of the customer (Art.6 (1) no.2, FM-GwG; Art.365p (1), no.2, GewO) and the professional or business activities of the client (Art. 6(1) no.4, FM-GwG; Art. 365p (1), no.3, GewO).

Criterion 10.9—

226. FIs, including insurance intermediaries, must ascertain the identity of the legal person on the basis of meaningful supporting documentation, which is available under the usual legal standards of the country in which the legal person is incorporated, in any case including the power of representation of the legal person (Art. 6 para 2 no. 2 FM-GwG, Art. 365p para. 1 no. 1 letter b GewO). The term “meaningful supporting documentation” is explained in the FMA Circular on Due Diligence Obligations but fails to implement c.10.9 (b) where it concerns the other element—the names of the relevant persons having a senior management position—and to establish the principal place of business where this is different from the address of the registered office as required under c.10.9 (c). Furthermore, there are no requirements on the verification of the identity of legal arrangements in line with this criterion.

Criterion 10.10—

227. FIs must identify and take reasonable measures to verify the beneficial owner's identity (c.10.5) and paragraphs 191 and 193 of the FMA Circular. The definition of the “beneficial owner” (Art. 2(3) FM-GwG in conjunction with Art. 2 WiEReG) includes the elements of the controlling ownership interest (as set out in the sub-criterion 10.10.a) and the control through other means (c.10.10(b)) as well as the element of the senior managing official (sub-criterion 10.10.c) Where no natural person is identified under (a) or (b) the natural persons who belong to the top management level of the customer are to be identified and verified as such (paragraph 147 of the FMA Circular).

Criterion 10.11—

228. FIs must identify and take reasonable measures to verify the beneficial owner's identity (c.10.5). Both sub criteria (a) for trusts, including and (b) for other types of legal arrangements are covered by law (Art. 6 (1) 2, FM-GwG; Art. 11 in conjunction with Art. (2) 2, and Art. 1 (2) 17- 18, WiEReG; Art. 365n, GewO).

CDD for Beneficiaries of Life Insurance Policies**Criterion 10.12—**

229. All applicable CDD measures described above apply equally to the beneficiary of insurance policies (Art. 7 (4), FM-GwG; Art. 365p (4), GewO).

Criterion 10.13—

230. FIs are required to include the risk factors of potentially higher risk situations set out in Annex III to Article 9 (1), FM-GwG, including sub h) the customer being a beneficiary of a life insurance policy, when determining whether EDD measures shall be applied. However, the requirement to take enhanced measures including reasonable measures to identify and verify the identity of the beneficial owner of the beneficiary at the time of payout, when the beneficiary is a legal person or arrangement presenting a higher risk is not implemented. No requirements implementing this criterion were identified concerning insurance intermediaries in the GewO.

Timing of Verification**Criterion 10.14—**

231. As a general rule, FIs must ascertain and verify the identity of the customer and the beneficial owner before initiating a permanent business relationship or before executing any occasional transactions (Art. 7 (1), FM-GwG; Art.365q (1) and (2), GewO). The exemptions mentioned in sub criteria (a) to (c) of Criterion 10.14 are reflected in the mentioned laws (Art. 7 (2) FM-GwG; Art. 365q (2), GewO).

Criterion 10.15—

232. In Austria, it is permitted to enter into a business relationship prior to verification (c.10.14); however, Art. 7 para. 3 FM-GwG prohibits the business relationship from being utilized prior to verification.

Existing Customers**Criterion 10.16—**

233. FIs must apply CDD obligations not only to all new customers, but also to existing customers on a risk-sensitive basis at the appropriate times (Art. 7 (6), FM-GwG; Art.365p (6), GewO).

Risk-Based Approach**Criterion 10.17—**

234. In situations which by their nature can present a higher ML or TF risk, FIs must apply additional due diligence measures in addition to the regular CDD obligations on a risk-sensitive basis and conduct enhanced ongoing monitoring of the business relationship (Art. 9 para. 1 FM-GwG, Art.365s GewO).

Criterion 10.18—

235. FIs may apply less strict CDD measures for certain types of customers, products or transactions (an exhaustive list is set out in Annex II of the law), provided that their ML/TF risk is considered low on the basis of a risk assessment conducted in accordance with Art. 4 of the FM-GwG. In assessing the risk, the obliged entities must pay special attention to the activities of such customers and to the types of products and transactions which may be regarded as particularly likely, by nature, to be used or abused for ML or TF purposes. However, simplified measures do not need to be commensurate with the lower risk factors. If there is information available to suggest that the risk of ML or TF may not be low, the simplified CDD shall not apply (Art. 8 FM-GwG, Art.365r GewO).

Failure to Satisfactorily Complete CDD**Criterion 10.19—**

236. In cases where FIs are unable to comply with CDD measures (Art. 6 (1), nos. 1 to 5), they must not carry out any transaction or establish a business relationship, or they must terminate the business relationship, and in addition they must consider reporting the customer to the A-FIU (Art. 7 (7) FM-GwG; Art.365p (7) GewO). However, ongoing due diligence of the business relationship, including scrutiny of transactions (Art. 6 (1), no. 6) and regular checking of the availability of all required information (Art. 6 (1) no. 7) is not included under this requirement.

CDD and tipping-off**Criterion 10.20—**

237. FIs are permitted to waive CDD measures where it may tip off the customer, thereby hindering the authorities from pursuing the beneficiary of the transaction, and should instead file an STR (Art. 20, FM-GwG; Art. 365w (1), GewO).

238. *Weighting and conclusion*—Most criteria are met but the following minor shortcomings were identified, which do not substantially weaken Austria's CDD requirements. Austria has not implemented requirements on the verification of legal arrangements conform c.10.9, and the information regarding legal persons required under c.10.9 (b) and (c) is limited. The requirements under c.10.13 have only been partly implemented. Simplified measures do not need to be commensurate with the lower risk factors, which is not in line with c.10.18. Furthermore, the requirement not to execute a transaction or to terminate the relationship where the FI is unable to comply with relevant CDD measures does not apply to ongoing due diligence measures (c.10.19). Recommendation 10 is rated **largely compliant**.

Recommendation 11—Record-Keeping

239. Recommendation 11 was rated compliant in the Austria 2016 MER.

240. R.11 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 11.1—

241. FIs must keep receipts and records of all transactions for a period of at least 10 years after the end of the relationship with the customer, or after the date of an occasional transaction (Art. 21 (1) no. 2, FM-GwG). A period of five years applies to insurance intermediaries (Art. 365y (1), no. 2, GewO).

Criterion 11.2—

242. FIs must keep all records obtained through CDD measures for at least 10 years after the termination of the business relationship with that customer or after the date of the occasional transaction (Art. 21 (1) no. 1, FM-GwG). A period of five years applies to insurance intermediaries (Art. 365y (1) no. 1, GewO).

243. All enterprises including FIs are required to keep commercial documents including incoming business correspondence and copies of outgoing business correspondence for seven years (Art. 212 (1), Uniform Commercial Code (UGB)).

Criterion 11.3—

244. Although there is no explicit obligation for FIs that transaction records should be sufficient to permit reconstruction of individual transactions, the requirements described in c.11.1 appear to be adequate for this purpose. FIs are required to retain receipts and records of transactions required to investigate transactions (Art. 21 (2), FM-GwG). In case of insurance intermediaries, the general record-keeping requirement stipulates that documents and information should be kept for use in any investigation into, or analysis of, possible ML or TF by the competent authorities (Art.365y (1), GewO).

Criterion 11.4—

245. To ensure the availability of information to competent authorities, FIs (including insurance intermediaries) are required to provide the A-FIU without delay with all information the A-FIU deems necessary to prevent or pursue cases of ML or TF (Art. 16 (2) of the FM-GwG and Art. 365t (2) GewO). However, this requirement does not extend to all competent authorities.

246. *Weighting and conclusion*—A minor shortcoming persists with respect to criterion 11.4, where FIs are required to guarantee complete and swift provision of information in somewhat more limited circumstances than required under this criterion. Competent authorities however have no legal impediments to promptly access full CDD information and transaction records. Recommendation 11 is rated **largely compliant**.

Recommendation 12—Politically Exposed Persons (PEPs)

247. Recommendation 12 was rated partially compliant in the Austria 2016 MER, and re-rated compliant in the 2017 FUR.

248. R.12 was not under review. The text is copied from the MER 2016 and FURs with minor non-substantive edits.

Criterion 12.1—

249. With regard to transactions or business relationships relating to PEPs “from” another Member State or third country, FIs are required to (Art. 11 (1), FM-GwG; Art. 365s (3), GewO):

- have appropriate risk management systems in place to determine whether the customer or beneficial owner is a PEP;
- obtain senior management approval before establishing or continuing business relationships with such persons;
- take adequate measures to establish the source of wealth and source of funds that are involved in the business relationship or transaction with such persons; and

- conduct enhanced ongoing monitoring of the business relationship.

Criterion 12.2—

250. FIs are obliged, in addition to CDD measures under R.10, to take measures as listed under (a) to (b) of this criterion (Art. 11 (1), FM-GwG; Art. 365s (1-4), GewO). Where no risk factors exist that indicate an increased level of risk for Austrian PEPs, application of these measures is not required (Art. 11 (1), FM-GwG).

Criterion 12.3—

251. The definitions of PEP, family members and close associates are set out in Art. 2 (6-8), FM-GwG and Art.365n (4-6), GewO and are consistent with the definitions in the FATF Glossary, and the measures applicable to PEPs to be applied to family members and close associates of PEPs (Art. 11 (4), FM-GwG).

Criterion 12.4—

252. All CDD measures with regard to PEPs apply equally to the beneficiary of the insurance policy—and its beneficial owner where required. In case of identified higher risk, senior management has to be informed prior to payout, and enhanced scrutiny on the whole business relationship with the policyholder has to be conducted (Art. 11 (2), FM-GwG; Art. 365s (2), GewO).

253. Weighting and conclusion—All criteria are met. Recommendation 12 is rated **compliant**.

Recommendation 13—Correspondent Banking

254. Recommendation 13 was rated largely compliant in the Austria 2016 MER.

255. R.13 was not under review. The text is copied from the MER 2016 and FURs with minor non-substantive edits.

Criterion 13.1—

256. With regard to cross-border CBRs, FIs are required to (Art. 10 nos. 1 to 4, FM-GwG, Art. 365s para. 10 no. 5 GewO):

- gather sufficient information about a correspondent bank to understand fully the nature of its business and be able to ascertain the reputation of the institution and the quality of supervision on the basis of publicly available information.
- satisfy themselves of the correspondent bank's AML/CFT controls.
- obtain approval from senior management before establishing new CBRs.
- document the respective responsibilities of each institution.

However, these measures do not apply to the correspondent banks in the EEA area, only subject to their assessment as high risk, which is more restrictive than the FATF Standard.

Criterion 13.2—

257. With respect to payable-through accounts, FIs must be satisfied that (Art. 10 no. 5, FM-GwG):

- the correspondent bank has verified the identity of and performed ongoing due diligence on the customers having direct access to accounts of the correspondent, and
- it is able to provide relevant CDD data to the correspondent bank upon request.

Criterion 13.3—

258. FIs are not allowed to enter into or continue a CBR with a shell bank as defined in the Art.2 no.13, FM-GwG, and they are required to take appropriate measures to ensure that they do not engage in or continue CBRs with a credit institution which is known to permit its accounts to be used by a shell bank (Art. 12 (1) FM-GwG). The definition of a “shell bank” is in line with the FATF definition.

259. *Weighting and conclusion*—Austria has put in place most of the requirements for R.13. However, a minor deficiency remains as measures apply to the correspondent banks in the EEA area only, and beyond these countries, when subject to their assessment as high risk, which is more restrictive than the FATF Standard. Recommendation 13 is rated **largely compliant**.

Recommendation 14—Money or Value Transfer Services

260. Recommendation 14 was rated compliant in the Austria 2016 MER.

261. R.14 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 14.1—

262. Persons that provide MVTs in Austria are covered either by the provisions of Art.1 (1), no.2, BWG—in case of non-cash payment transactions via current account (CIs)—or Art.1 (2), ZaDiG—in case of payment transactions with or without setting up a payment account (payment service providers), this also includes e-money institutions by reference in Art.3 (3), no.1, E-GeldG. In both cases, these persons are required to obtain a license from the FMA to be able to carry out the relevant activities (Art.4 (1) BWG; Art.7 (1) ZaDiG; Art.3 (1) E-GeldG). Some entities authorized in other EU member states operate in Austria under the EU passporting system.

Criterion 14.2—

263. The FMA operates a specialized division focused exclusively on combating unauthorized business. Art.22b (1), FMABG grants the FMA the right to obtain the necessary information from natural and legal persons for that purpose and the FMA has the right to publicly disclose measures or sanctions imposed for violations (Art. 22c (1) FMABG). The unauthorized institutions are identified through: information, enquiries, or complaints from market participants; information acquired by the FMA as part of its continued supervision of licensed companies; active observation of the market; or notifications from other authorities. In the case such an illegal service is identified, the FMA institutes administrative proceedings to terminate the service and to punish those persons responsible. Actions to identify unauthorized MVTS are taken by the FMA, and appropriate sanctions are applied to some extent: three monetary penalties were imposed on unauthorized MVTS (two in 2024, of EUR 10,000 and EUR 800, and one penalty of EUR 200 in 2021), combined with investigation proceedings, warning notices and procedural orders.

Criterion 14.3—

264. The FMA has the responsibility of monitoring for compliance all persons who are operating under its license subject to the provisions of the BWG, ZaDiG and E-GeldG (Art.69, BWG; Art.88, ZaDiG) and are subjected to the FM-GwG (Art. 2 FMABG, in conjunction with art. 2 nos. 1 and 2 (under e and f) FM-GwG). The requirement includes monitoring compliance of those PSPs that operate under the EU passport (Art.88 (1) ZaDiG).

Criterion 14.4—

265. If a payment institution intends to provide payment services through an agent, it shall communicate the detailed information about its name, address, management, and the intended activities to the FMA (Art.22 ZaDiG). For MVTSs operating under the E-GeldG, the FMA is required to set up a public register of the authorized MVTS, their agents and branches, into which all MVTS in Austria must be entered, which can be inspected on the FMA website, and which is to be regularly updated. MVTS under the BWG cannot operate through agents.

Criterion 14.5—

266. Although there is no explicit requirement for MVTS providers to include the agents in their AML/CFT programs, the general requirements for the organization and internal AML/CFT controls to which PIs are subject pursuant to the FM-GwG cover all the activities that these institutions carry out, regardless of whether they use their own personnel or agents to do so. Agents are contractually required to comply with the rules applicable to their principal including the AML/CFT programs. The PIs are required to monitor them in order to ensure compliance, as they themselves would be held liable for any misconduct by the agent (Art. 23 (1) and (2) ZaDiG).

267. *Weighting and conclusion*—Most criteria are met, except c.14.2 with regard to the limited actions to sanction unlicensed MVTs. Recommendation 14 is rated **largely compliant**.

Recommendation 15—New Technologies

268. Recommendation 15 was rated partially compliant in the Austria 2016 MER, and re-rated compliant in the 2017 FUR.

269. R.15 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed.

New Technologies

Criterion 15.1—

270. The NCC is responsible for drawing up and maintaining an NRA on an ongoing basis, which includes the identification of risks in relation to the development of new products and business practices, including new delivery channels and the use of new or developing technologies both for new and existing products (Art. 3 para. 2 FM-GwG, R.1).

271. OEs are required to identify and assess the potential ML/TF risks, to which they are exposed, based on data and information taking into account all relevant risk factors, including new or developing technologies, both for new and existing products and practices (Art. 4, FM-GwG) (c.15.2). Insurance intermediaries are required to include in their policies, controls and procedures, risk management best practices including measures relating to new products, practices and technologies (Art. 365n1 (4) para.1, GeWo).

Criterion 15.2—

272. (a) FIs are required to conduct an assessment of risks in relation to the new products, practices, and technologies, prior to their roll-out (Art. 4 (1), FM-GwG). Insurance intermediaries are required to assess the risks associated with new products, practices, and technologies, without an explicit obligation to conduct the risk assessment prior to their launch or use (Art. 365n1 (4) in conjunction with (3), GewO).

273. (b) FIs must establish policies, controls, and procedures to effectively manage and mitigate the identified risks (Art. 23 (1), FM-GwG). The same applies to insurance intermediaries which are to develop measures for effectively managing and mitigating risks identified at the entity-level (Art. 365 (1) 4, GewO).

Virtual Assets and Virtual Asset Providers

Criterion 15.3—

274. (a) At the EU level, the European Commission conducts and publishes an assessment of the risks of ML and TF affecting the internal market and relating to cross-border activities in line with the requirements of the EU Directive 2015/849 as amended by EU Directive 2018/843 (Art. 6) that also identifies and assesses the risks emerging from VAs and the activities and operations of VASPs. The EU level risk assessment shall be updated by a report at least every two years. However, the last 2022 SNRA does not assess PF risks emerging from VA activities.

275. At the national level, the NRA referred to under c.15.1 is relevant under this criterion as well. The ML/TF risks posed by VAs have been identified and assessed in the 2021 and 2025 NRAs. PF risks in relation to VA activities were assessed by the authorities at the time of the assessment team's onsite visit. The ongoing identification and assessment of ML/TF risks related to VAs/VASPs is part of the FMA's risk-based supervision (Art. 25 (1) and (2), FM-GwG).

276. (b) While an NRA and risk-based mitigating measures are required under Art. 3 (1), (2) and (5) FM-GwG (as amended in December 2024), and the EU-SNRA should be considered, Austria does not apply an RBA in accordance with R.1 to ensure that measures are commensurate with the risks identified beyond setting the requirements included under (c), and the 2025 NRA does not provide specific PF risk analysis (related to the potential breach, non-implementation, or evasion of the TFS related to PF) for the sectoral risk assessment of VASPs and no measures have been implemented commensurate with such risks.

277. (c) VASPs are required to identify and assess the potential ML/TF risks and non-implementation and evasion of TFS in connection with PF to which they are exposed, based on data and information considering all relevant risk factors (Art. 4 (1), FM-GwG). In doing so, they shall consider findings of the NRA (Art. 3, FM-GwG) and of the EU SNRA, and the identification and assessment shall be proportionate to the nature and size of the entity. VASPs are required to keep records of the identification and assessment steps conducted and their outcomes in an understandable way, shall keep records up to date, and shall make them available to the FMA upon request in a generally available electronic format (Art. 4 (2), FM-GwG).

278. VASPs are required to establish policies, controls, and procedures for the effective mitigation and management of ML/TF risks identified in relation to the EU, national, and entity-wide levels, which shall be commensurate with the type and size of the entity (Art. 23 (1) and (2), FM-GwG). The policies, controls and procedures need to be applied on an ongoing basis and adapted accordingly as necessary.

Criterion 15.4—

279. As an EU Member State, Austria is bound by EU Regulations which directly and uniformly apply in the Member States. EU Regulations regulate market entry to the crypto assets market, internal controls, and preventive measures and tasking competent authorities with ensuring compliance.

280. (a) A person providing crypto⁸ asset services within the EU is subject to prior authorization (EU Regulation 1114/2023, Art. 59) by the authority of the Member State where it has its registered office. A crypto asset service provider under EU law should be a legal person or other undertaking if the legal form of that undertaking ensures a level of protection for third parties' interests equivalent to that afforded by legal persons and if it is subject to equivalent prudential supervision appropriate to their legal form (Art. 59 (3)). These requirements to the legal form of undertakings exclude natural persons from being authorized as crypto asset service providers (c.15.4 (a) (ii) is not applicable).

281. EU law also subjects some types of offerors to authorization requirements and differentiates offerors according to the specific assets: A person that issues VAs qualifying as VA-referenced tokens (EU terminology for a type of stable-coins) has to be authorized as well (EU Regulation 2023/1114, Art. 16). E-money tokens may only be issued by authorized CIs or e-money institutions (EU Regulation 2023/1114, Art. 48). Financial services related to an issuer's offer and/or sale of a VA are covered in the crypto-assets services list under Art. 3 (1)(16) EU Regulation 2023/1114, in line with the provisions of the FATF glossary and the Updated Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers for limb (v) of the VASP definition in the FATF glossary.

282. Authorization processes for service providers and offerors include a fit and proper assessment and authorizations shall only be granted if members of the management bodies and shareholders or members are of sufficiently good repute (Art. 21 (2), 63 (10) EU Regulation 2023/1114. VASPs as defined under the FATF Glossary are OEs under the FM-GwG as providers in relation to virtual currencies (Art. 2 no.22 FM-GwG). A VASP that intends to provide its services in Austria, or to offer its activities from Austria, must apply for registration with the FMA as the competent AML/CFT supervisory authority prior to commencing operations (Art. 32a (1), FM-GwG).

283. (b) Authorization processes under EU Regulation 2023/1114 include assessments that members of the management body are sufficiently reputable and competent and that shareholders or members that have a qualifying holding fulfil fit and proper requirements (Art. 62, 63, 64 and 68 for crypto asset service providers). These provisions empower authorities

⁸ In the terminology of the EU Regulation 1114/2023 on markets in crypto-assets "virtual asset" and "virtual asset service provider" as per the FATF Glossary are defined as "crypto asset" and "crypto asset service providers" respectively. Here, both terms are used depending on the framework referred to.

to prevent individuals convicted of offenses relating to ML/TF or of any other offenses that affect their good reputation from assuming relevant functions. Regarding shareholders and members whether direct or indirect, that have qualifying holdings, proof is required that those persons are of sufficiently good reputation (Art. 62 (2) (h)) and (3) (a) and (c)).

284. In addition, considering the higher ML/TF risks of VAs, the FMA requires a depiction of the complete (beneficial) ownership and control structure including conclusive documents to prove the (beneficial) ownership or control structure of the VASP.

Criterion 15.5—

285. Regulation at EU level prohibits the provision of services without authorization (Art. 59 (1) EU Regulation 2023/1114). EU Directive 2015/849 and EU Regulation 2023/1114 task competent authorities in member states to ensure action is taken to identify persons that carry out VASP activities without licensing or registration and to ensure compliance with authorization requirements by taking supervisory measures and applying sanctions. EU Regulation 2023/1114, Art. 94 (1) (h) stipulates that competent authorities, in accordance with national law, shall have the power to order the immediate cessation of the activity where there is a reason to assume that a person is providing crypto-asset services without authorization. The prerequisite of “reason to assume” the provision of service leaves sufficient room to take targeted action at service providers that address the market. At EU level, European Securities and Markets Authority assist efforts to ensure compliance by keeping a register of operators found to have provided services in breach of the authorization requirement (Art. 110 EU Regulation 2023/1114).

286. The FMA is the competent authority to enforce the authorization requirement in relation to virtual currency activities in conjunction with the prevention of ML/TF (Art. 32b, FM-GwG and Art. 22b (1), FMABG). Anyone who provides services in relation to VAs without the necessary registration, commits an administrative offense and shall be punished by the FMA with a fine of up to EUR 200,000 (Art. 34 (4), FM-GwG). The FMA reported five MiCAR related-cases in 2024 and 29 cases concerning unauthorized VASPs under the previous registration regime (FM-GwG). Following identification of unauthorized business, the FMA predominantly remediates breaches through issuing warning notices, which are considered to have an enforcing effect.

Criterion 15.6—

287. (a) When assessed for market entry, crypto asset service providers are required to have mechanisms and controls in place that ensure compliance with AML/CFT requirements (EU Regulation 2023/1114, Art. 63 (2) to (10)).

288. VASPs, as OEs under the FM-GwG, are subject to AML/CFT regulation, and risk-based supervision and monitoring by the FMA (Art. 25 (1) 4, and (2), FM-GwG). Based on the registered VASP’s risk-profile and considering any other additionally relevant information, the FMA determines the frequency and intensity of its on-site and off-site engagements. In order to determine the VASPs’ inherent risk, data is collected regarding the nature and scope of their

business, products and services, customer structure, geography and delivery channels and submitted via the FMA's Risk Assessment Tool (RAT). Assessing the quality of a VASP's AML/CFT controls is primarily based on information gathered during the FMA's AML/CFT supervision (onsite reports, administrative proceedings and the external auditor's audit report on the annual financial statement etc.).

289. The FMA is required to review the assessment of the ML/TF risk profile of VASPs, including the risk of non-compliance, both periodically and when there are major events or developments affecting the OEs' management and operations (Art. 25 (2) 3, FM-GwG). The assessment of a VASP's ML/TF risk profile itself is an on-going process and entails the evaluation of all relevant and available information on the VASP on an annual and ad hoc basis. Where major events or developments in the management of the VASP potentially have an impact on the VASP's ML/TF risk profile, they are evaluated accordingly and the FMA's supervisory approach towards the VASP (e.g. increase in frequency and intensity of regular onsite inspections or conduct of an ad hoc inspection) is modified where necessary in order to adequately reflect and mitigate the ML/TF risk.

290. (b) EU Directive 2015/849 and EU Regulation 2023/1114 task competent authorities in member states to ensure compliance by crypto asset service providers with requirements to combat ML/TF. EU Regulation 2023/1114, Art. 94, stipulates that competent authorities in accordance with national law shall have the power to inspect and to compel documents. The withdrawal of the authorization of crypto asset service providers is regulated at EU level in Art. 64 of EU Regulation 2023/1114 and, alongside other administrative penalties and administrative measures, shall also be implemented at national level (EU Regulation 2023/1114, Art. 111).

291. The FMA has a broad range of powers to supervise and monitor to ensure compliance by VASPs with AML/CFT requirements. During supervision of VASPs, the FMA has the power to request any information addressed by the FM-GwG at any time and may request relevant documents and data to be disclosed as stipulated in Art. 29 of this Act (Art. 25 (1) 4, FM-GwG). The FMA's powers to perform onsite inspections of VASPs are comprehensive and are laid down in Art. 30, FM-GwG. Where a VASP violates the FM-GwG and/or Regulation (EU) 2015/847, the FMA can apply a range of sanctions including revoking registration (c.15.8(a)).

Criterion 15.7—

292. After amendment by EU Regulation 2023/1113 EU Directive 2015/849 (Art. 18) mandates the European Banking Authority to issue guidelines on risk variables and risk factors to be taken into account by crypto-asset service providers when entering into business relationships or carrying out transactions in crypto-assets (Guidelines published on January 16, 2024 and to be applied from issued from December 30, 2024). In 2022, the FMA updated four circulars on CDD, reporting obligations, risk assessment, and internal organization that are applicable to VASPs. The circulars are available on its public website and aim to assist FIs and VASPs in the interpretation of the legal text as well as examples of good practice. The FMA also provides guidance to individual VASPs by either answering legal enquiries from VASPs or through continuous guidance and feedback during and following the on- and offsite inspections. Furthermore,

regulatory and supervisory developments and enhancing understanding of the AML/CFT obligations are subject of different FMA formats and forums.

Criterion 15.8—

293. (a) EU Directive 2015/849 and EU Regulation 2023/1114 require member states to provide competent authorities, in accordance with national law, with the power to apply appropriate administrative penalties and other administrative measures. Art. 111 of EU Regulation 2023/1114 stipulates sanctions for a number of infringements including minimum fines.

294. Where a VASP violates the FM-GwG and/or Regulation (EU) 2015/847, the FMA can apply the following range of sanctions:

- Instruct the VASP and/or the members of its management body and/or its beneficial owner(s) to restore legal compliance (Art. 31 (1) and (2), FM-GwG);
- Impose administrative sanctions of up to EUR 5 million or double the amount of the gain, on VASPs and/or its management that fail to comply with the AML/CFT requirements (Art. 34 and 35, FM-GwG);
- In cases of repeated or continued violations, completely or partly prohibit the directors from managing the FI where deemed fit (Art. 31 (3) 1, FM-GwG);
- In case of severe, repeated or systematic violations pursuant to Art. 34 (2) and (3), FM-GwG, revoke registration (Art. 31 (3) 3, FM-GwG).

295. (b) At EU level, Member States are obliged to ensure that where obligations apply to legal persons in the event of a breach, sanctions and measures can be applied to the members of the management body and to other natural persons responsible for the breach (Art. 58 (3) of EU Directive 2015/849). Some of the administrative penalties regulated under EU Regulation 2023/1114, Art. 111, shall also apply to members of the management body of a crypto-asset service provider.

296. As mentioned under (a) instructions can be explicitly given to the senior management of the VASP as well, while its management can be subjected to administrative sanctions as well.

Criterion 15.9—

297. VASPs are OEs under the FM-GwG and shall conduct preventive measures as set out in Rs.10 to 21, therefore deficiencies as identified under respective sections of this technical compliance assessment are considered under this criterion as well.

298. (a) VASPs are required to conduct CDD measures when executing occasional transactions involving transfer of funds exceeding EUR 1,000 (Art. 6, FM-GwG).

299. (b) (i) EU Regulation 2023/1113 repeals and replaces EU Regulation 2015/847 formerly regulating the transfer of funds and extends the scope to cover both transfer of funds and transfer of VAs. Art. 14 (1) of EU Regulation 2023/1113 requires the originating crypto asset service provider to obtain and hold originator information (Art. 14 (1), (2) and (3)) and to submit it to the beneficiary service provider immediately (in advance or simultaneously) and securely (Art. 14 (4)). Before transferring crypto assets, the service provider shall verify the accuracy (Art. 14 (6)). In accordance with Art. 24 of EU Regulation 2023/1113, information has to be provided to competent authorities in the Member State in which they are established. The originating crypto asset service provider submits beneficiary information to the beneficiary's service provider in line with Art. 14 (2) of Regulation 2023/1113 and holds it on record according to Art. 26 (1) Regulation 2023/1113. The distributed ledger address (DLT) information is required for both the originator and the beneficiary. If the transfer does not occur on the DLT, the Regulation requires the crypto-asset account number instead (EU Regulation 2023/1113, Art.14 (1) (b) and (2) (b)). EU Regulation 2023/1113 imposes additional requirements to be implemented in the case of transfers being made to "self-hosted" addresses (where no crypto asset service provider is involved on the beneficiary side), such as individual identification of transfers and ensuring that the address is controlled by the originator/beneficiary. EU Regulation 2023/1113 does not make a distinction between crypto-asset transfers within and outside the EU, treating all crypto-asset transfers as cross-border.

300. (ii) Art. 16 of EU Regulation 2023/1113 requires the crypto asset service provider of the beneficiary to implement effective procedures, which may include post-event or real-time monitoring, to identify transfers that lack required originator or beneficiary information and to verify accuracy of the beneficiary information (EU Regulation 2023/1113, Art. 16 (1) and (3)). Service providers are obliged to make information available to competent authorities on request according to Art. 24 of EU Regulation 2023/1113.

301. (iii) EU Regulation 2023/1113 covers the requirements of Recommendation 16 and applies them to virtual asset transfers, especially on monitoring and risk-based procedures (Art. 14 (8) and Art. 16 (1)) as well as freezing action and prohibiting transactions with designated persons and entities (Art. 23).

302. (iv) FIs are covered by the scope of relevant provision of EU Regulation 2023/1113 through the broad definition of crypto asset service provider in Art. 3 (1) 15 of that Regulation with reference to Art. 3 (1) (15) EU Regulation 2023/1114, including CIs that provide crypto asset services in accordance with Art. 59, 60 of EU Regulation 2023/1114.

Criterion 15.10—

303. Regarding the application of TFS reporting obligations and monitoring of VASPs and providing clear guidance, several deficiencies in the domestic framework remain (R.6 and R.7). Austria has not issued guidance to assist VASPs with the implementation of their TF-TFS sanctions' obligations, including on their obligations to respect a de-listing or unfreezing action (cf. c. 6.5(d) and c.6.6(g)), while the guidance issued regarding PF-TFS in this respect is not considered targeted to VASPs' activities (cf. c.7.2(d) and c.7.4(d)), and the obligation to report funds or

economic resources held by designated persons or entities in application of domestic measures does not extend to VASPs (cf. c. 6.5(e) and c.7.2(e)). In addition, while DSN is the designated supervisor for TFS-implementation by VASPs until 31 December 2025, DSN has not taken any measures to monitor VASPs' implementation of TFS under the SanktG 2024 (cf. c. 7.3).

Criterion 15.11—

304. EU Regulation 2023/1114, Art. 107, expressly provides that competent authorities should, where necessary, conclude cooperation agreements with supervisory authorities of third countries concerning the exchange of information with those supervisory authorities of third countries and the enforcement of obligations under this Regulation in those third countries.

305. The FMA has the power to cooperate with authorities in other countries that perform duties that correspond to the FMA's duties (Art. 25 (5), FM-GwG). The FMA is required to share all information, where the sharing of the information serves the purposes of supervision of financial markets, including VASPs. Such information has to also include information about shareholders, members of the management board, the supervisory board, the administrative board, and the executive directors of the OEs as well as information relating to the customers of VASPs. With regard to the registration of VASPs, information about the company, the managing directors, the beneficial owner, and other key persons is always exchanged with other supervisory authorities as part of the registration process (e.g. assessment of suitability and appropriateness).

306. Austria may extend the broadest range of MLA in relation to VAs and VASPs, as provided for in the ARHG and EU-JZG. While these instruments do not specifically refer to VAs and VASPs, the execution of MLA requests is governed by the provisions of StPO and StGB, which apply to any kind of assets including VAs. ARHG does not provide for measures to ensure that such assistance be provided rapidly, while the EU-JZG specifies that the execution of EIO must be executed without delay but no later than 90 days, and Regulation 2018-1805 provides that the execution of freezing orders must be executed without delay and no later than 48 hours in case of urgency.

307. *Weighting and conclusion*—Most criteria are met or mostly met. Some deficiencies remain, including lack of an explicit obligation on insurance intermediaries to conduct the risk assessment of new products, practices, and technologies prior to their launch or use. In addition, deficiencies regarding TFS reporting obligations, providing guidance and monitoring for VASPs referred to in Recommendations 6 and 7 remain, and there are minor restrictions on MLA related to the rapid provision of such assistance. Recommendation 15 is rated **largely compliant**.

Recommendation 16—Wire Transfers

308. Recommendation 16 was rated partially compliant in the Austria 2016 MER, and re-rated compliant in the 2017 FUR.

309. R.16 is newly assessed as Austria has made legal, regulatory or operational framework changes since its last mutual evaluation and follow-up report.

Originator's Financial Institutions

Criterion 16.1—

310. As a European Union (EU) Member State, Austria is bound by EU Regulations which directly and uniformly apply in the Member States. EU Regulation 1113/2023 regulates information accompanying transfers of funds and certain crypto assets.

311. In accordance with EU Regulation 2023/1113, Art. 4, 6, FIs should ensure that all cross-border wire transfers exceeding EUR 1,000 are accompanied by:

(a) required and accurate payer (originator) information (name, account number or, in the absence of an account, unique transaction reference, and address, document number, customer ID, or date and place of birth), and

(b) required payee (beneficiary) information (name, account number or, in the absence of an account, unique transaction reference).

312. The EU requirements for cross-border transfers do not apply to transfers equaling USD/EUR 1,000, which constitutes a minor deviation from the corresponding Recommendation.

Criterion 16.2—

313. Where several cross-border wire transfers from the same originator are transmitted in a batch file to beneficiaries, the batch file should contain the information required per c.16.1, and each individual wire transfer should contain the account number or unique reference number (EU Regulation 2023/1113, Art. 4, 6(1)).

Criterion 16.3—

314. Cross-border wire transfers of EUR 1,000 or less should be accompanied by the names and account numbers of the originator and beneficiary or the unique transaction reference number (EU Regulation 2023/1113, Art. 6(2)).

Criterion 16.4—

315. For cross-border wire transfers not exceeding EUR 1,000, the originator's FI is not required to verify the accuracy of the information about the originator unless it suspects ML/TF or the funds are transferred in the form of cash or anonymous electronic money (EU Regulation 2023/1113, Art. 6(2)). The same applies to the beneficiary's FI (EU Regulation 2023/1113, Art. 7(4)).

Criterion 16.5—

316. For wire transfers with all participants in the payment chain established within the EU, Art. 5 (2) EU Regulation 2023/1113 obliges the service provider of the payer, upon request, to make all information on the originator or beneficiary available to the beneficiary's FI. Based on the availability of this information by other means, Art. 5 (1) EU Regulation provides for a derogation of the comprehensive information requirements in line with c16.5.

Criterion 16.6—

317. FIs should ensure that the account numbers of the originator and beneficiary or their unique transaction identifiers accompany the transfer (EU Regulation 2023/1113, Art. 5(1)) even in applying the derogation in line with c16.5. FIs are required, upon request, to make all necessary information available within three working days (EU Regulation 2023/1113, Art. 5(2)). They are also required to respond fully and without delay to requests issued by the authorities responsible for AML/CFT (EU Regulation 2023/1113, Art. 24)

Criterion 16.7—

318. The originator's FI is required to maintain all information collected on the originator and beneficiaries for a period of five years (EU Regulation 2023/1113, Art. 26).

Criterion 16.8—

319. The originator's FI is not allowed to execute wire transfers if they do not comply with the requirements under c.16.1 to 16.7 (EU Regulation 2023/1113, Art. 4(6)).

Intermediary Financial Institutions**Criterion 16.9—**

320. FIs acting as intermediaries should ensure that all originator and beneficiary information accompanying cross-border wire transfers is retained with the transfer (EU Regulation 2023/1113, Art. 10).

Criterion 16.10—

321. Technical limitations cannot justify non-compliance with the requirements under Art. 10 EU Regulation 2023/111 and no exemption from the requirements described under criterion 16.9 is permitted. The "Guidelines on information requirements in relation to transfers of funds and certain crypto-assets transfers under EU Regulation 2023/1113" issued by the European Banking Authority on 4 July 2024 reflect that systems have to be able to transmit, receive or convert all information (section 4.3.1., para 21, 22).

Criterion 16.11—

322. Intermediary FIs must implement effective procedures to identify cross-border wire transfers that lack the required originator or beneficiary information (EU Regulation 2023/1113, Art. 11), point 2(b)).

Criterion 16.12—

323. Intermediary FIs should have risk-based procedures in place to determine whether to execute, reject, or suspend a wire transfer that does not include the required originator or beneficiary information, and to take appropriate follow-up action (EU Regulation 2023/1113, Art. 12).

Beneficiary Financial Institutions**Criterion 16.13—**

324. FIs should implement effective procedures, which may include post-event or real-time monitoring, to identify cross-border wire transfers that lack required originator or beneficiary information (EU Regulation 2023/1113, Art. 7(1) and (2)).

Criterion 16.14—

325. For wire transfers exceeding EUR 1,000, the beneficiary's FI should verify the identity of the beneficiary (EU Regulation 2023/1113, Art. 7(3)) and should retain this information for a period of five years (EU Regulation 2023/1113, Art. 26). For wire transfers equaling EUR 1,000, the beneficiary's FI is not required to verify the accuracy of the information unless it suspects ML/TF or the funds are transferred in the form of cash or anonymous electronic money (EU Regulation 2023/1113, Art. 7(4)), which constitutes a minor deviation from the corresponding Recommendation.

Criterion 16.15—

326. Beneficiary FIs should have risk-based procedures in place to determine whether to execute, reject, or suspend a wire transfer that does not include the required originator or beneficiary information, and to take appropriate follow-up action (EU Regulation 2023/1113, Art. 8).

Money or Value Transfer Service Operators**Criterion 16.16—**

327. Regulation EU 2023/1113 applies to payment service providers established in the EU or EEA that execute fund transfers, whether they operate directly or through their agents (EU Regulation 2023/1113, Art. 2(1)).

Criterion 16.17—

328. (a) Payee and intermediary payment service providers should take into account missing or incomplete information on the originator or beneficiary in order to assess whether an STR should be filed (EU Regulation 2023/1113, Art. 9 and 13).

329. (b) There is no explicit obligation requiring payment service providers to file an STR in all countries concerned by a suspicious wire transfer. However, payment service providers are obliged to report in the countries of the ordering and beneficiary sides (Art. 9 and 13, EU Regulation 2023/1113) of the transaction and service providers belonging to the same financial group are required to inform the members of the group of the existence and content of an STR relating to a common client (Art. 45 EU Directive 2015/849).

330. The information submitted in conjunction with a SAR shall be shared within the group pursuant to Art. 24 (6) FM-GwG, unless the A-FIU or the FIU of another Member State or a third country instructs otherwise.

Implementation of Targeted Financial Sanctions**Criterion 16.18—**

331. FIs should implement freezing measures and comply with prohibitions from conducting certain transactions in accordance with EU regulations which give effect to UNSCR relating to AML/CFT (cf. R. 6 and 7). EU Regulation 2023/1113, Art. 23 requires payment service providers to have in place internal policies, procedures and controls, in alignment with the Guidelines adopted pursuant to Art. 23(2) of the Regulation to ensure the implementation of EU and national restrictive measures.

332. Weighting and conclusion—Minor shortcomings are identified where transactions equal to EUR 1,000 are not included under c.16.1, and under c.16.14 for wire transfers equaling EUR 1,000, the beneficiary's FI is not required to verify the accuracy of the information unless it suspects ML/TF, or the funds are transferred in the form of cash or anonymous electronic money. Under c.16.17, not all payment service providers in a cross-border chain are required to file an STR while this is covered for the country of the ordering and beneficiary sides are required to do so, and in case of providers that are all members of the same group, such providers need to inform all members of the group of the STR filed. Recommendation 16 is rated **largely compliant**.

Recommendation 17—Reliance on Third Parties

333. Recommendation 17 was rated largely compliant in the Austria 2016 MER. Minor shortcomings were noted in relation to risk-based third-party reliance on EU and EEA member states.

334. R.17 is newly assessed as Austria has made legal, regulatory or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 17.1—

335. FIs are permitted to rely on third parties to perform CDD measures as required by this criterion (Art. 13 (1), FM-GwG), while the ultimate responsibility for meeting the CDD requirements remains with the FI relying on a third party.

336. (a) The relying FI must ensure that the third parties make the information required to fulfil the CDD obligations available to them without delay.

337. (b) The relying FI must take appropriate steps to ensure that the third party is able to forward upon request the relevant copies of documentation used to satisfy these due diligence obligations identification data and other relevant documentation on the identity of the customer and the beneficial owner (Art. 13 (2), FM-GwG). Not included is a requirement to do so without delay.

338. (c) The FM-GwG lists the types of third parties the FIs may rely on (Art. 13 (3) and (4), FM-GwG). This list includes all types of FIs covered by the 4th EU AML Directive 2015/849, domestic FIs and FIs from equivalent third countries provided that they all are subject to AML/CFT regulation and supervision and have measures in place for compliance with CDD and record-keeping requirements.

339. The same requirements apply to insurance intermediaries, which are to take appropriate measures to ensure that the third party can forward upon request the relevant copies of documentation used to satisfy these due diligence obligations identification data and other relevant documentation on the identity of the customer and the beneficial owner without delay (Art. 365s1, GewO).

Criterion 17.2—

340. FIs are prohibited from relying on third parties in high-risk third countries, which are third countries with strategic AML/CFT deficiencies posing significant threats to the financial system of the EU and which have been determined by the EC by means of a Delegated Regulation (Art. 9, Directive (EU) 2015/849 and Art. 13 (4), in conjunction with Art. (2) 16, FM-GwG). In addition, reliance is permitted only on third parties covered by the AML/CFT legislation of other EU Member States or equivalent third countries (Art. 13 (3) and (4), FM-GwG).

341. Deficiencies relate to the assumption that all EU member states apply adequate AML/CFT controls, instead of basing reliance on an assessment of the level of a country's ML/TF risk. Inclusion in the list of equivalent third countries takes into account the compliance of local legislation with the principal FATF Recommendations, and the degree of risk related to the scale of criminality to which the country is exposed. Art. 365s (1) 3 and 4, GewO contains similar requirements for insurance intermediaries.

Criterion 17.3—

342. The requirements pursuant to the above criteria may be fulfilled by implementing a group-wide program (group-wide policies and procedures) when all of the following conditions are met: (i) the FI obtains information from a third party of the same financial group; (ii) the financial group applies the requirements of CDD, record-keeping, and AML/CFT policies equivalent to the FM-GwG and respectively the 4th EU AML Directive 2015/849; and (iii) effective implementation of those requirements is supervised at group level by a competent authority of the home Member State or third country (Art. 14, FM-GwG). Similarly, regarding insurance intermediaries, requirements under Art. 14, FM-GwG apply (Art. 365s1 (5), GewO).

343. *Weighting and conclusion*—Austria meets most of the requirements under R.17 and only minor shortcomings remain. The element “without delay” is not implemented with reference to c.17.1b for FIs. Furthermore, reliance on third parties from EU member states is not based on an assessment of the level of country risk but reflects the assumption that all EU member states apply effective AML/CFT controls. Recommendation 17 is rated **largely compliant**.

Recommendation 18—Internal Controls and Foreign Branches and Subsidiaries

344. Recommendation 18 was rated partially compliant in the Austria 2016 MER, and re-rated compliant in the 2017 and 2018 FURs.

345. R.18 was not under review. The text is copied from the MER 2016 and FURs with minor non-substantive edits.

Criterion 18.1—

346. FIs are required to establish adequate and appropriate policies and procedures proportionate to the type and size of the OE to prevent ML/TF (Art.23, FM-GwG; Art.365z, GewO), as well as:

(a) establish compliance management arrangements (Art.23 (1) 2, FM-GwG; Art.365n1 (3), GewO) and appoint a special officer to ensure compliance with AML/CFT obligations (Art.23 (3), FM-GwG; Art. 365n1 (4) no. 1, GewO), who should report directly and exclusively to their managers. The officer shall be granted free access to all information, data, records, and systems that may in any possible way be connected to ML/TF, as well as sufficient powers.

(b) pay attention to propriety with regard to legal values when selecting staff members (Art.23 (6), FM-GwG; Art. 365n1 (4) no. 1, GewO).

(c) establish an ongoing employee training program (Art.23 (5), FM-GwG; Art.365(n1) (4) no.1, GewO). These measures must also include the participation of the competent employees in special on-going training programs (*Fortbildungsprogramm*) in order to train the employees to recognize ML/TF transactions.

(d) establish an internal audit function (Art.23 (2), FM-GwG, Art. 365(n1) (4) no. 2, GewO).

Criterion 18.2—

347. FIs are obliged to implement group-wide programs against ML/TF, applicable and appropriate to all branches and majority-owned subsidiaries of their financial group (Art. 24 (1), FM-GwG; Art. 365z (1), GewO). In addition to the criteria in c.18.1 the requirements of c.18.2 (a-c) are implemented through Art. 24 (1) and (6), FM-GwG, Art. 20 (3) 3, FM-GwG, Art. 365z (1) and (6), and Art. 365w, GewO.

Criterion 18.3—

348. FIs are required to ensure that the measures applied at their branches and subsidiaries located in third countries are at least equivalent to those set forth in the relevant AML/CFT provisions applicable in Austria (Art. 24 (3) and (4), FM-GwG; Art. 365z (3) and (4), GewO).

349. When the legislation of the third country does not permit application of the measures required under the relevant AML/CFT provisions applicable in Austria, they have to inform the FMA (the European Supervisory Authorities respectively) and take additional measures to handle the risk of ML/TF effectively (Art.24 (4), FM-GwG; Art. 365z (4), GewO).

350. *Weighting and conclusion*—All criteria are met. Recommendation 18 is rated **compliant**.

Recommendation 19—Higher-Risk Countries

351. Recommendation 19 was rated compliant in the Austria 2016 MER.

352. R.19 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 19.1—

353. FIs are required to apply EDD, proportionate to the risks, to business relationships and transactions with natural and legal persons (including FIs) from countries for which this is called for by the FATF (Arts. 9, 9a and Annex III (3), FM-GwG). However, this is limited to non-EU member states where it concerns EDD requirements for insurance intermediaries (Art. 365s GewO) (cf. c.23.3).

Criterion 19.2—

354. The FMA and/or the Federal Minister of Economy, Energy and Tourism are empowered to issue regulations to order one or more additional risk mitigation measures with regard to any or all high-risk third countries, including when called for by the FATF (Art. 9a (2) to (4) FM-GwG, Art. 365s (9) to (11) GewO).

Criterion 19.3—

355. The regulations described above include but are not limited to, countries identified by the FATF in its statement on High-Risk Jurisdictions subject to a Call for Action as having strategic deficiencies. The regulations, along with statements of FSRB, are regularly updated and published on the FMA's website. There are similar measures for insurance intermediaries (c.19.1).

356. *Weighting and conclusion*—Insurance intermediaries are not required to apply EDD measures to business relationships and transactions with persons from EU member states for which this is called for by the FATF. This limitation is not applicable to other FIs. Recommendation 19 is rated **largely compliant**.

Recommendation 20—Reporting of Suspicious Transactions

357. Recommendation 20 was rated compliant in the Austria 2016 MER.

358. R.20 was not under review. The text is copied from the MER 2016 and FURs with minor non-substantive edits.

Criterion 20.1—

359. FIs are obliged to immediately file an STR, where they suspect or have reasonable grounds to believe (Art. 16 (1) FM-GwG, Art.365t (1) GewO):

- that an attempted, upcoming, ongoing or previously conducted transaction is related to asset components originating from a predicate offense to ML (including asset components which stem directly from a criminal act on the part of the perpetrator); or
- that an asset component originates from a predicate offense to ML (including asset components which stem directly from a criminal act on the part of the perpetrator—i.e. “self-laundering”); or
- the client has violated the obligation to disclose fiduciary relationships pursuant to Art. 6 (3) FM-GwG; or
- that the attempted, upcoming, ongoing, or previously conducted transaction or the assets component is related to a criminal association, a terrorist association, a terrorist crime, or TF.

Criterion 20.2—

360. As set out in criterion 20.1, attempted transactions are equally covered by the STR provisions. The requirements apply regardless of any thresholds or amounts of the transaction.

361. *Weighting and conclusion*—All criteria are met. Recommendation 20 is rated **compliant**.

Recommendation 21—Tipping-Off and Confidentiality

362. Recommendation 21 was rated compliant in the Austria 2016 MER and 2018 FUR.

363. R.21 was not under review. The text is copied from MER 2016 and FURs with minor non-substantive edits.

Criterion 21.1—

364. FIs, as well as their employees, are protected from liability when reporting their suspicions in good faith (Art. 19 FM-GwG, Art.365u (5) and (6) GewO).

Criterion 21.2—

365. FIs, as well as their employees, are prohibited from disclosing to their clients or third parties the fact that an STR or any related information such as requests for additional information have been reported or provided to the A-FIU or the police (Art. 20 FM-GwG, Art.365w GewO). This prohibition extends to third parties.

366. Weighting and conclusion—All criteria are met. Recommendation 21 is rated **compliant**.

Recommendation 22—Designated Non-Financial Businesses and Professions (DNFBPs): Customer Due Diligence

367. Recommendation 22 was rated partially compliant in the 2016 MER and re-rated largely compliant in the 2017 FUR. Minor deficiencies remained in relation to casinos' record-keeping of information related to business correspondence and lack of a requirement for accountants to ensure the availability of all information and transaction records to the competent authorities.

368. R.22 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 22.1—

(a) Casinos

369. Casinos are required to apply all CDD requirements set out in R. 10 and are subject to the same technical deficiencies identified in R.10. Customer identification and verification measures for all visitors are to be conducted upon entrance (Art. 26 (1) no. 2, Art. 31c (2) no. 1 and no. 2 and (3) no. 3, GSpG; Art. 5 (1), (2), (4) and (5) and Art. 6 (1) no. 1, (2) no. 1 and (3); FM-GwG). These also extend to beneficial ownership when customers win or bet amounts of EUR 2 000 or above. (Art. 31c (2) no. 4 and (3) no. 3, GSpG; Art. 6 (1) no. 2 to 7, Art. 7 (5), FM-GwG). Casinos must apply CDD measures to existing customers (Art. 31c (2) no. 1 and (3) no. 3, GSpG; Art. 7 (6) FM-GwG), carry out enhanced CDD in situations of increased risk (Art. 31c (1), (2) no. 3, (3) no. 3 GSpG;

Arts. 9 (1), (2) and (3), Art. 9a (1), FM-GwG), and may apply simplified CDD in lower-risk situations (Art. 31c (1), GSpG; Arts. 8 (1) to (4) FM-GwG.) Casinos are also subject to the requisite measures under R. 10 when they are unable to comply with relevant CDD requirements (Art. 31c (2) no. 1 and (3) no. 3 GSpG; Art. 7 (7) FM-GwG), as well as to suspicious transaction reporting and tipping-off requirements (Art. 31c (2) no. 2 and (3) no. 3 GSpG; Art. 20 (1), FM-GwG).

370. (b), (c), and (e) - Real estate agents, DPMS, and TCSPs (also referred to as business consultants) are all collectively referred to as tradespersons in Austria. Tradespersons are required to conduct the full range of CDD measures set out in R.10 when

- they make or receive payments of at least EUR 10,000 in cash, when establishing a business relationship, or when carrying out occasional transactions of EUR 15,000 or more (Art. 365m1 (2); art. 365o– 365s GewO).

371. In addition,

- for real estate agents, when they are involved in transactions for a client concerning the buying and selling of real estate. With regard to both buyers and sellers or tenants and landlords, these requirements apply only for transactions involving monthly rent of EUR 10,000 or above.
- for TCSPs (business consultants), when providing a registered office, business, administrative, or postal address and other related services listed in the Trades Act to legal persons and arrangements (however not explicitly to natural persons). These services include establishment of legal persons; exercise of management, partnership, or trustee functions in legal persons or arrangements; and acting as a nominal shareholder.

372. (d) Lawyers, notaries, other independent legal professionals, and accountants

Lawyers and notaries

373. Lawyers and notaries are required to conduct all CDD measures set out under R.10 (Art. 8a, 8b, 8e RAO, Art. 36b, 36e NO). These apply when acting on behalf of clients in financial or real estate transactions, including buying or selling real-estate property or undertakings; managing money, securities or other assets, opening or managing bank, savings or securities accounts; or establishing, operating or managing trusts, companies, partnerships, foundations or similar structures, including raising of funds necessary to establish, operate or manage companies or partnerships (Art. 8a RAO, Art. 36a NO). Besides lawyers and notaries, there are no other independent legal professionals in Austria who are legally allowed to prepare or carry out transactions for their client concerning the activities identified in criterion 22.1.(d).

Accountants

374. Chartered public accountants, tax consultants and accountancy professionals (collectively referred to as “accountants”) are required to conduct the full range of CDD measures set out under R.10 (Art. 87-98 WTBG, Art. 45-52b BiBuG). Every person entitled to

exercise these professions is required to comply with the CDD requirements in the exercise of their professional activity on a risk basis (Art. 88 WTBG, Art. 52d BiBuG).

Criterion 22.2—

Casinos

375. All casinos are required to keep records of CDD information and transactions for a five-year period, and to make such records fully and swiftly available to the FIU or the Austrian Tax Authority as the supervisory authority for casinos. Although there is no explicit obligation for casinos' transaction records to be sufficient to permit reconstruction of individual transactions, the requirements described in criterion 11.1 appear to be adequate for this purpose, as Art. 31c refers to Art. 21 (2), FM-GwG which requires retention of receipts and records of transactions required to investigate transactions (Art. 31c (2)1 and (3)1, GSpG, by reference to art. 21 and 22, FM-GwG).

Real estate agents, DPMS, and TCSPs

376. Real estate agents, DPMS, and TCSPs must keep documentation and records necessary for the identification of transactions for a period of at least five years, as well as all CDD documents and records concerning business relationships (GewO Art.365y (1)). The record-keeping requirement also stipulates that documents and information should be kept for use in any investigation into, or analysis of, possible ML or TF by the competent authorities (GewO Art.365y (1)). Real estate agents, DPMS, and TCSPs must also keep the records available for the competent authorities (GewO Art. 365y (1) no. 2 and Art. 365y (3)). Although there is no explicit obligation for real estate agents, DPMS, and TCSPs that transaction records should be sufficient to permit reconstruction of individual transactions, the provisions under Art.365y (1), GewO appear to be adequate for this purpose (c.11.3).

Lawyers and notaries

377. Lawyers and notaries must keep documentation and records of all transactions for a period of at least five years, as well as all identification documents and records concerning clients and beneficial owners and all information that they obtain in the course of their AML/CFT obligations (Art.12 (2) and (3), Art. 8b (2) and (5) RAO; Art.49 (3) NO, Art. 36b (2), (5) and (6) NO). This also includes business correspondence.

378. Transaction records must allow for the reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution of criminal activity (Art. 12 (3) RAO; Art 49 (3) NO). Lawyers and notaries are required to ensure the availability of information to the A-FIU via secure communication channels and ensure the confidential treatment of requests without delay of all information it deems necessary to prevent or pursue cases of ML or TF (RAO Art.9 (6); NO Art.37 (6)).

Accountants

379. Public accountants, tax advisors, and accountancy professionals are required to keep records of CDD information and transactions for at least five years after the last business case or after the execution of a transaction (Art. 98 (1) WTBG, Art. 52c (1) BiBuG).

380. Record-keeping requirements include receipts and records of transactions (Art. 98 (1) WTBG; Art. 52c (1) BiBuG).

381. Public accountants, tax advisors, and accountancy professionals are required to ensure the availability of this information to the competent authorities (Art. 101 (3) WTGB; Art. 52f (3) BiBuG), they are also required to provide the A-FIU without delay with all information it deems necessary to prevent or pursue cases of ML or TF (Art.98g (5) WTBG; Art.52a (1) BiBuG).

Criterion 22.3—*Casinos*

382. Casinos are required to have in place appropriate risk management systems to determine whether the customer or its beneficial owner is a PEP, obtain senior management approval before establishing business relationships, take adequate measures to establish the source of wealth and source of funds that are involved in the business relationship or transaction, and conduct enhanced ongoing monitoring of the business relationship. Casinos are also obliged to apply such measures to family members or persons known to be close associates of PEPs (31c (2) par. 6 GSpG; by reference to Art. 11 FM-GwG).

Real estate agents, DPMS, and TCSPs

383. Real estate agents, DPMS, and TCSPs are required to have appropriate risk-based systems to determine whether the customer or its beneficial owner is a PEP, obtain senior management approval before establishing business relationships with such customers, take adequate measures to establish the source of wealth and source of funds, and conduct enhanced ongoing monitoring of the business relationship. They are also obliged to apply such measures to family members or persons known to be close associates of PEPs (Art. 365n; 365s (1), (3), (4) GewO).

Lawyers and notaries

384. Lawyers and notaries are required to have adequate, risk-based procedures to check whether a party is a PEP, a family member of such a person, or a person who is known to be related to such person and must apply PEP requirements as indicated under this criterion (Art. 8f* RAO; Art. 36f NO).

Accountants

385. Public accountants, tax advisors, and accountancy professionals are required to have appropriate risk-based procedures to determine whether the customer is a PEP, a family member of such a person, or a person who is known to be related to such person. They are also required to obtain senior management approval before establishing business relationships with such customers, take adequate measures to establish the source of wealth and source of funds that are involved in the business relationship or transaction, and conduct enhanced ongoing monitoring of the business relationship (Art. 87 (2) and Art. 94 (1), (2), (3) and (5), WTGB; Art. 46(6), Art. 50(1), (2), (3), BiBuG).

386. Public accountants, tax advisors, and accountancy professionals are required to have risk-based procedures to determine whether a client or a beneficial owner of a client is a politically exposed person (Art. 90(6) WTGB, Art. 46(6). BiBuG).

Criterion 22.4—

387. Casinos are required to assess risks in relation to new products, practices, and technologies, prior to their roll-out (Art 31c (1) GSpG, referring to Art. 4 FM-GwG).

388. All other DNFBPs are required to assess the risks associated with new products, practices, and technologies, without an explicit obligation to undertake a risk assessment prior to their launch or use (Art. 365n1 (4) in conjunction with (3), GewO; both Art. 8b (8) RAO and Art 36b (8) NO, which reference to Annex III FM-GwG; both art. 88(2) WTGB and art. 44(2) BiBuG, which reference Annex III of the Money Laundering Directive).

389. DNFBPs must establish policies, controls, and procedures to effectively manage and mitigate the identified risks (Art 31c (2), para. 1 GSpG, referring to Art. 23 FM-GwG; Art. 365 (1) 4, GewO; both Art. 8b (8) RAO and Art 36b (8) NO, which reference to Annex III FM-GwG; Art. 99 (1), para. 1 WTGB; Art. 52d (1), para. 1 BiBuG).

Criterion 22.5—*Casinos*

390. Casinos are not allowed to rely on intermediaries or other third parties to perform any elements of the CDD process.

Real estate agents, DPMS, and TCSPs

391. Real estate agents, DPMS, and TCSPs may rely on third parties to fulfil the CDD obligations related to the identification and verification of the identity of the customer and the beneficial owner and understanding the nature of the business, unless they have information that casts doubt on an equivalent fulfilment of the aforementioned obligations.

However, the final responsibility for meeting these requirements remains with the real estate agents, DPMS, and TCSPs who relies on the third party (Art. 365s1 (1) GewO).

392. Real estate agents, DPMS, and TCSPs are required to immediately obtain from the third party, on whom they rely, the necessary information on the CDD. They shall also take reasonable steps to ensure that the third party may, without undue delay and upon request, forward to them copies of the documents used in the performance of those due diligence obligations as well as other relevant documents relating to the identity of the customer or beneficial owner (Art. 365s1 (2) GewO).

393. Real estate agents, DPMS, and TCSPs may rely on third parties that adhere to the obligations of the 4th EU AMLD 2015/849 and be supervised in accordance with it. The reference to Arts. 14 and 15 FM-GwG provides for a rule on taking into account the risk factors. Real estate agents, DPMS, and TCSPs may not recourse to third parties established in high-risk third countries, except if the branches or branch offices of third parties established in the national territory or in another EU Member State, and their subsidiaries, provided that those branches or branch offices and subsidiaries fully comply with the policies and procedures to be applied throughout the group (Art. 365s1 (3) to (5) GewO). Shortcomings however relate to the assumption that all EU member states apply adequate AML/CFT controls, instead of basing reliance on an assessment of the level of a country's ML/TF risk (c.17.2).

Lawyer and notaries

394. Except for the obligation to monitor business relationships on an ongoing basis, lawyers and notaries are allowed rely on third parties to perform part of the due diligence obligations, unless they have a justified reason to doubt that the third parties will fulfil such obligations in an equivalent manner. Lawyers and notaries may not rely on third parties established in high-risk third countries. The ultimate responsibility for meeting these requirements remains with the lawyer/notary and requirements as indicated under this criterion must be met (Art. 8b (10) (11) (12) (13) RAO; Art. 36b (10) (11) (12) NO).

Accountants

395. Public accountants, tax advisors, and accountancy professionals may rely on third parties for the fulfilment of the CDD measures related to the identification of the customer and the beneficial owner and understanding the nature of the business. However, the ultimate responsibility for the fulfilment of these duties shall remain with the person entitled to exercise the profession who has recourse to one or more third parties (Art. 95 (1) WTGB; Art. 52 (1) BiBuG).

396. Third parties must be OEs within the meaning of Art. 2 of the Money Laundering Directive and be subject to due diligence and retention obligations as well as supervision in accordance with the Money Laundering Directive; third parties that have their registered office in an EU Member State are deemed to fulfil such requirements; third parties domiciled in high-risk countries do not fulfil the requirements, unless they are branches or majority-

owned subsidiaries of the persons entitled to exercise the profession, provided they fully comply with the group-wide policies and procedures (Art. 95 (2) to (4) WTGB; Art. 52 (2) to (4) BiBuG). Shortcomings, however, relate to the assumption that all EU member states apply adequate AML/CFT controls, instead of basing reliance on an assessment of the level of a country's ML/TF risk (c.17.2).

397. *Weighting and conclusion*—Austria meets some of the requirements for Recommendation 22, however, some remaining shortcomings have an impact on a broad range of DNFBPs. These relate to CDD measures by real estate agents for rental transactions and by business consultants when providing services to natural persons. For tradespersons and accountants, shortcomings relate to the assumption that all EU member states apply adequate AML/CFT controls, instead of basing reliance on an assessment of the level of a country's ML/TF risk. Except for casinos, there is no explicit obligation for DNFBPs to undertake a risk assessment prior to the launch or use of new products, practices, and technologies. Recommendation 22 is rated **largely compliant**.

Recommendation 23—DNFBPs: Other Measures

398. Recommendation 23 was rated largely compliant in the 2016 MER and 2017 FUR.

Minor shortcomings remained in relation to lacking requirements for notaries to appoint a compliance officer, for new employee screenings for real estate agents, DPMS, TCSPs, lawyers, and notaries, and for the establishment of independent audit functions for lawyers and accountants.

399. R.23 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 23.1—

Casinos

400. Casinos are required to immediately report all suspicious transactions, including attempted transactions, regardless of the amount of the transaction (Art.31c (2) no.1 and (3) no.1 GSpG by reference to the Art.16 (1) FM-GwG).

Real estate agents, DPMS, TCSPs, and accountants

401. Real estate agents, DPMS, TCSPs, public accountants, tax advisors, and accountancy professionals are required to electronically report all suspicious transactions immediately, including attempted transactions, regardless of the amount of the transaction where they suspect or have reasonable grounds to suspect that the funds are proceeds of criminal activity or are related to terrorist financing (Art. 365m1 (2) and Art. 365t GewO, Art. 87(2) no. 11, Art. 96(1), Art.98g (1) WTGB, Art.52a BiBuG).

Lawyers and notaries

402. Lawyers and notaries are required to report without delay all suspicious transactions, including attempted transactions, regardless of the amount of the transaction if and when they learn, suspect, or have justified reason to assume that funds related to the transaction originate from criminal activity or are connected to TF (Art. 8c(1) and Art. 9(6) RAO; Art.36c(1) and Art. 37 (6) and (7) NO).

Criterion 23.2—*Casinos*

403. Casinos are required to establish adequate and appropriate policies and procedures to prevent ML/TF (Art.31c (2) and (3) no. 1 GSpG, by reference to the Art. 23 and Art. 24 (1) to (4) and (6) FM-GwG), which also includes the appointment of a compliance officer at management level. Casinos are required to consider propriety with regard to legal values when selecting staff members (Art.31c para. 2 GSpG, by reference to Art.23 (6), FM-GwG). Competent employees are required to participate in special ongoing AML/CFT training programs (Art. 31c (2) and (3) no. 1 GSpG, by reference to Art. 23 (5) FM-GwG). A risk-based independent review of the policies, procedures, and controls as well as their ongoing application, shall be conducted by an internal audit function. Independent audits shall be conducted, if there is no requirement to have an internal auditing body and where an independent inspection is necessary due to the type and scope of the business activities conducted (Art.31c para. 2 no. 1 GSpG, by reference to the Art. 23 (2) M-GwG). Casinos are required to implement group-wide programs and other measures as set out under criteria 18.2 and to the extent applicable 18.3 (Art. 31c (2) no. 1 by reference to Art. 24 (1) to (4) and (6) FM-GwG).

Real estate agents, DPMS, and TCSPs

404. Real estate agents, DPMS, and TCSPs are required to establish adequate and appropriate policies and procedures to prevent ML/TF and to appoint a compliance officer, to have regular reviews of the performance of work by staff, as well as in the selection of their staff, to verify their reliability in relation to the legal values, training programs for employees, to establish an independent audit function, and to implement group-wide programs and other measures as set out under R.18 (Art. 365n1 (3) and (4) and Art. 365z (1) to (7) GewO).

Lawyers and notaries

405. Lawyers and notaries are required to implement strategies and procedures against ML/TF appropriate to their ML/TF risks and the size of the business. Partnerships or companies of lawyers are not required to but may appoint a compliance officer, following a risk-based approach, due to the specific business activity or the type and size of the law firm (Art. 8a para. 2 RAO). Although there is no such corresponding requirement for notaries, most notaries are sole

practitioners and even though notary partnerships are possible, within such partnerships, each notary bears full personal responsibility in the performance of his office.

406. Lawyers and notaries are required to have risk-based strategies, controls, and procedures, including a check of their employees (Art. 8a (2) RAO; Art. 36a (2) NO). Staff are obliged to participate in special AML/CFT training programs and the bar and regional Chambers of Civil Law Notaries have the duty to organize them (Art.21b (2), Art.28 (2) RAO; Art.117 (1), Art.134 para.2 no.15 NO).

407. There is no specific requirement for lawyers and notaries to have an independent audit function.

408. Lawyers are also required to implement group-wide programs and other measures as indicated by criteria 18.2 and 18.3 (Art. 8a para. 5 to 8 RAO). Notaries in Austria are not allowed to establish subsidiaries or branches; therefore, this requirement does not apply to them.

Accountants

409. Public accountants, tax advisors, and accountancy professionals are required to establish adequate and appropriate policies and procedures to prevent ML/TF, including appointment of a compliance officer (Art.99 (2) WTBG, Art.52d BiBuG). There is no requirement that the compliance officer should be at the management level. Accountants are obliged to train their staff in AML/CFT training programs (Art.98j (1) no.2 WTBG, Art.52d para.1 no.2 BiBuG). There is also a requirement to “subject their personnel to screening with regard to ML and TF upon employment” (Art.98j para.3 WTBG, Art.52d para.1 no. 2 BiBuG). There is no requirement to establish an independent audit function.

Criterion 23.3—

Casinos

410. Casinos are required to apply EDD to visitors from a country outside the EU with a high risk pursuant to Art. 9 (2) of Directive (EU) 2015/849, to adequately manage or mitigate such risks (Art. 31c (2) and (3) GSpG by reference to Art. 2 (16), Art. 9 (1) FM-GwG). If a casino’s own risk assessment does not indicate a low risk, the casino is required to apply EDD measures to business relationships and transactions subject to conditions listed under Art. 9 (3) FM-GwG (referenced under Art. 31c (2) 5, GSpG). Additionally, with regards to c.19.2 and 19.3, the Tax Authority Austria is required, when exercising AML/CFT supervision, to analogously apply the provisions of Art. 9a (2) to (5) of the FM-GwG, which empowers the FMA and/or the Minister of Finance, both when the FATF calls to do so and independently of it, to issue regulations to order one or more additional risk mitigation measures with regard to all or certain high-risk third countries (Art. 31(5) GSpG by reference to Art. 9a (2) to (4) FM-GwG).

411. Real estate agents, DPMS, and TCSPs are required to apply enhanced CDD measures to business relationships or transactions involving high-risk third countries identified in

accordance with Art. 9(2) of the Anti-Money Laundering Directive (365s (5) and (8) GewO). However, this is limited to non-EU member states where it concerns EDD requirements.

412. In addition, and with regards to criteria 19.2 and 19.3, the Federal Minister for Digital and Economic Affairs may, by means of a regulation, stipulate that real estate agents, DPMS, and TCSPs must, where appropriate, apply one or more additional risk-mitigating measures to natural or legal persons carrying out transactions involving high-risk third countries identified in accordance with Art. 9(2) of the AMLD (Art. 365s (9) to (11) GewO).

Lawyers and notaries

413. Lawyers and notaries are required to apply EDD measures if the customer or the beneficial owner is registered or resident in a high-risk country designated by the EC in a delegated act adopted pursuant to Art. 9 (2) of Directive (EU) 2015/849 (Art.8b (6) RAO; Art.36b (6) NO).

414. In addition, the Federal Minister for Justice may, under consideration of Section 9a (4) **FM-GwG**: (i) introduce one or several additional risk-reducing measures concerning all or certain third countries with high risk, consisting of one or several of the elements named in Section 9a (2) no. 1 to 3 FM-GwG or (ii) one or several measures to be applied accordingly according to Section 9a (3) no. 1 to 3 FM-GwG for dealing with all or specific third countries with high risk (Art.8b (6) RAO; Art.36b (6) NO).

Accountants

415. Public accountants, tax advisors, and accountancy professionals are required to apply EDD measures to business relationships or transactions involving high-risk third countries identified in accordance with Art. 9(2) of the Anti-Money Laundering Directive. Accountancy professionals are also required to apply EDD measures to non-FATF compliant countries (Art. 94(1) no. 2 WTBG; Art. 50(1) no. 2 and Art. 51 BiBuG). However, for public accountants and tax advisors, the requirement to apply EDD measures is limited to non-EU member states.

416. In their functions as supervisory authorities, both the Chamber of Public Accountants and Tax Advisors and the Austrian Federal Economic Chamber, are required to lay down additional measures within the meaning of Art. 18a (2) of the AMLD by ordinance, regarding business relationships and transactions involving high-risk third countries (Art. 94(6) WTBG; Art. 50 (6) BiBuG).

Criterion 23.4—

417. All DNFBPs and their employees are protected from a breach of professional secrecy when reporting their suspicions in good faith (Art. 31c GSpG, referencing Art. 19 FM-GwG, Art. 51 (2) no.5 GSpG; Art. 365u (5) and (6) GewO; Art. 9 para. 5 RAO, Art. 37 para. 7 NO, Art. 98g para. 8 WTBG, Art.52a (10) BiBuG). They are also prohibited from disclosing the fact that an STR has been filed (Art. 31c GSpG by reference to the Art. 20 FM-GwG, Art. 365w para. 1 GewO, Art.

8c para. 1a RAO, Art. 36c para. 1a NO, Art. 98h para. 1 WTBG, Art. 52a para. 10 and 11 BiBuG). Lawyers and notaries are also required to set up appropriate internal reporting procedures through which employees or persons in comparable positions can report violations of the regulations that serve to prevent or combat ML and TF (Art.9 para. 8 RAO and Art.37 para. 8 NO).

418. *Weighting and conclusion*—Austria has put in place some of the requirements for Recommendation 23. However, some moderate shortcomings remain, including the lack of a requirement for partnerships or companies of lawyers and notaries to appoint a compliance officer (however the former may do so). There is no specific requirement for lawyers, notaries, and accountants to have an independent audit function. While tradespersons and public accountants and tax advisors are required to comply with higher-risk countries requirements set out in Recommendation 19, these are only applicable to non-EU countries (c.19.1). Recommendation 23 is rated **partially compliant**.

Recommendation 24—Transparency and Beneficial Ownership of Legal Persons

419. Recommendation 24 was rated partially compliant in the 2016 MER and re-rated largely compliant in the 2018 FUR. Minor shortcomings remained in relation to the lack of a comprehensive risk assessment of all types of LPs, and to the absence of a legal requirement for associations to maintain a list of their members.

420. R.24 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed.

Scope Extends to Companies and Other Legal Persons

Criterion 24.1—

421. Austria applies the requirements of R.24 to the types of LPs set out in (a) to (d), subject to the following qualifications:

(a) The R.24 requirements apply without distinction to the following types of companies: (1) limited liability companies (*Gesellschaft mit beschränkter Haftung*—GmbH) regulated by the GmbHG; (2) stock corporations (*Aktiengesellschaft*—AG) regulated by the Austrian Stock Corporation Act (*Aktiengesetz*—AktG); (3) cooperative societies (*Genossenschaft*) regulated by the Cooperative Act (GenG); and (4) European companies (*Europäische Gesellschaften*—SE) regulated by Council Regulation (EC) No 2157/2001 on the Statute for a European company (SE), (5) European economic interest groupings (*Europäische wirtschaftliche Interessensvereinigungen*) regulated by Council Regulation (EEC) No 2137/85 on the European Economic Interest Grouping (EEIG), and (6) European Cooperative Societies (*Europäische Genossenschaften*) are regulated by Council Regulation (EC) No 1435/2003 on the Statute for a European Cooperative Society whereby the mentioned regulations are each supplemented by national legal provisions.

(b) The R.24 requirements also apply to (1) general partnerships (*offene Gesellschaft*) and (2) limited partnerships (*Kommanditgesellschaft*), which are both regulated by the Uniform Commercial Code

(UGB); (3) private foundations (*Privatstiftung*) regulated by the Federal Act on Private Foundations (PSG); (4) (charitable) foundations and funds regulated by the Federal Act on Foundations and Funds (BStFG 2015).

(c) Associations (Verein) regulated by the Associations Act (VerG) are subject to most of the R.24 requirements, except for the requirement to maintain a list of their members, which constitutes a minor scope issue.

(d) When setting up its Beneficial Ownership Register, Austria made the determination that foreign LPs, similar to those mentioned in (a) and (b) above and having a registered office outside the EU, should be subject to the WiEReG requirements (including by ensuring that competent authorities have timely access to information on their beneficial ownership—cf. 24.10 below) when these foreign LPs acquire a plot of land in Austria (Art. 1 (2) 19, WiEReG). While the residual ML/TF risks associated to foreign LPs with ownership of aircrafts in Austria were recently assessed as high, the requirements of R.24 do not yet extend to these LPs. Austria has already taken steps in view of addressing this, which constitutes only a very minor scope deficiency.⁹

Criterion 24.2—

422. (a) The different types, forms and basic features of LPs set out in c.24.1(a),(b) and (c) are described on the websites of the Austrian Economic Chamber (<https://www.wko.at/gruendung/start>—LPs, the business portal of the federal government (<https://www.usp.gv.at/>—all LPs set out in c.24.1(a) and (b), and the HELP-service of the federal government (<https://www.oesterreich.gv.at/>).

423. (b) The processes for the creation of LPs set out in c.24.1(a)–(c) are defined by law in Austria and are described on the websites of the Austrian Economic Chamber, business portal of the federal government and the HELP-service of the federal government.

424. (c) The relevant processes for obtaining and recording the basic information related to LPs as set out in c.24.5 are described on the websites of the Austrian Economic Chamber, business portal of the federal government and the HELP-service of the federal government.

The processes for obtaining and recording beneficial ownership information of all LPs are summarized online on the website of the BMF (<https://www.bmf.gv.at/en/topics/financial-sector/beneficial-owners-register-act/Reports-to-the-Register.html>).

⁹ There are 541 foreign LPs with ownership of aircrafts (mainly airliners) out of a total of 80,359 foreign LPs with sufficient links with the country. The scope deficiency is minor given the negligible materiality of this sub-set of legal entities.

Risk Assessment and Risk Mitigation**Criterion 24.3—**

425. (a) Austria published the assessment of ML/TF risks of the LPs that can be created in the country (cf. c.24.1 (a), (b) and (c)) as part of its 2021 NRA. The authorities took appropriate steps to manage and mitigate the risks identified, as the NRA contains a list of risk-mitigating measures that are being implemented.

426. (b) In May 2025, Austria adopted a comprehensive risk assessment of foreign legal persons with a sufficient link with Austria, including a bank or custody account in Austria, ownership of aircrafts, ownership of ships, indirect ownership of domestic LPs by foreign LPs, and ownership of domestic property. The authorities have taken appropriate steps in view of managing and mitigating identified risks, including the drafting of new legislative measures to mitigate the very recently identified high ML/TF residual risks associated to the foreign LPs with ownership of aircrafts.

Basic Information**Criterion 24.4—**

427. LPs set out in c.24.1(a) and (b) (except charitable foundations and funds) acquire legal personality when they are registered in the Austrian Company Register (*Firmenbuch*) (Art. 34 para. 1 AktG, Art. 2 para. 1 GmbHG, Art. 8 GenG, Art. 123 para. 1 UGB, Art. 106 UGB, Art. 7 para. 1 PSG). The Company Register contains the basic information set out in c.24.5(a) and assigns a unique identifier to each registered legal person (Art. 3 FBG). The entire content of the company register, including all important documents filed by the legal persons (e.g. articles of association), is open to the public, either for inspection at the court or online (Art. 34 para. 1 FBG). Associations are required to be registered in the local register of associations (Art. 16 para. 1 VerG) and the BMI keeps a central register of all associations, which is public (<https://citizen.bmi.gv.at/at.gv.bmi.fnsweb-p/zvn/public/Registerauszug>) (Art. 18 para. 1 and 19 VerG). Both the local registers and the central register contain the basic information set out in c.24.5. Similar registration requirements apply to (charitable) foundations and funds which should submit basic information to the BMI for inclusion in the Register of Foundations and Funds, which is also a public register (<https://www.bmi.gv.at/409/start.aspx>) (Section 4, Art. 22 and 23 of BstFG).

Criterion 24.5—

428. (a) Through the creation and registration process (c.24.4), all legal persons set out in c.24(a), (b), and (c) are required to obtain and record the basic information set out in c.24.5(a).

429. (b) Limited liability companies, cooperative societies, and stock corporations are required to maintain a register of shareholders; including the names and dates of birth of shareholders that are natural persons or the company register number of shareholders that

are LPs, and the proportion of their share capital. The number of voting rights as well as the categories of shares for these types of LPs can be determined from a combined review of the membership register (company register, share register, register of cooperative members) and the articles of association or statutes, which are publicly accessible as part of the documentation held by the company register. In addition, the company register also includes information on the categories of shares and associated voting rights (Art. 11 GmbHG and Art. 5 para. 2 and 6 FBG). There is an additional requirement for stock corporations, i.e., if the shares are not owned by the person who is registered as the shareholder (i.e., a nominee), the same information should be recorded for the owner of the shares (Art. 61 para. 1 no. 4 AktG). Private foundations and (charitable) foundations and funds are required to maintain information on their beneficiaries and disclose their names to the tax authorities.

430. (c) Except for cooperatives, LPs are not required to maintain the share register at the registered office or at a location notified to the Registry Authority. However, in line with the FATF Methodology, this is not considered as a deficiency because Austria has a central beneficial ownership register in place, including shareholder information, which competent authorities can access online.

Beneficial Ownership Information

Criterion 24.6—

431. Austria follows a multi-pronged approach with the aim to ensure timely access by competent authorities to beneficial ownership information of LPs. The definition of beneficial ownership in Art. 2 of the WiEReG is in line with the FATF Glossary.

432. (a) All types of LPs set out in c.24.1 are required to identify their beneficial owners, take reasonable measures to verify that person's identity, including taking reasonable measures to understand the ownership and control structure, and retain copies of the documents and information used (Art. 3, paras 1 and 2 of WiEReG). Legal and beneficial owners of LPs are required to make all necessary documents and information available to the LP to allow for this identification and verification (Art. 4). LPs are required to cooperate with and make information available to the Registry Authority upon request by the deadline specified in the request (Art. 14 of WiEReG and point 3.2 lit. b of the Beneficial Ownership Registry Authority's organizational handbook). LPs are required to co-operate with OEs, including VASPs, and provide adequate, accurate and up-to-date basic and beneficial ownership information (Art. 3, para 1 of WiEReG). There is no specific requirement for LPs to cooperate with other competent authorities, but these authorities can use their extensive powers granted under their own procedural law (R.26, R.28, R.29,

and R.31).¹⁰ They can also request the Beneficial Ownership Registry Authority to obtain information from LPs on their behalf.

433. (b) (i) To transpose the 4th EU Directive, Austria established a central Beneficial Ownership Register, governed by the Beneficial Owners Register Act (*Wirtschaftliche Eigentümer Registergesetz—WiEReG*), and designated a single public authority (the Minister of Finance—the Beneficial Ownership Registry authority) to hold adequate, accurate, and up-to-date beneficial ownership information on both LPs and LAs. (iii) In addition to the Beneficial Ownership Register, OEs, including VASPs, are required to obtain, hold and record information on the beneficial owners of their customers that are LPs (R.10, R.11, R.22.).

Criterion 24.7—

434. The Beneficial Ownership Registry Authority is required to keep data on an LP and its beneficial owners for 10 years after the date on which the company is dissolved or otherwise ceases to exist (WiEReG, art. 7). LPs are required to retain copies of the documents and information used for the identification and verification of their beneficial owners for at least five years after a natural person ceased to be beneficial owner, which is not fully in line with the requirement to maintain the information and records for at least five years after the date on which the company is dissolved or otherwise ceases to exist (WiEReG, art.3). FIs, including VASPs, and DNFBPs must keep documentation and records on CDD (i.e., customer and beneficial ownership data) for a period of at least five years after the termination of the business relationship with the customer or after the date of the occasional transaction.

Timely Access to Adequate, Accurate and Up-to-Date Information

Criterion 24.8—

435. Austria has established a set of mechanisms with the aim to ensure that basic information and beneficial ownership information is adequate, accurate, and up to date; however, minor shortcomings remain.

436. According to Art. 10 of the Company Register Act, LPs set out c.24.1(a) and (b) must file changes in their basic information to the relevant court without delay. The court shall amend the entries accordingly and delete them if they are no longer admissible. Associations are required to spontaneously report any changes in basic information of which they become aware and provide further updates upon request, but there is no timeframe set for reporting changes and responding to requests (Art.16, para 1 of VerG). (Charitable) Foundations and funds are required to report any changes in their basic information within four weeks (Art. 11, (3) and (4) of BStFG).

¹⁰ The recent amendments to the WiEReG also included a change to Art. 3 (1) requiring LPs to provide beneficial ownership information to competent authorities upon request. This amendment will enter into force on October 1, 2025, which is after the onsite visit and outside the timeframe for the assessment.

437. Austria has various measures in place to comply with the requirement to conduct a periodical review of the centrally registered beneficial ownership information (INR.24 and FATF's Guidance on Beneficial Ownership of LPs).

438. LPs are expected, at least once a year, to ensure that the beneficial ownership information they have on record, including precise details about the beneficial ownership interests, is still adequate, accurate and up to date (Art. 3 para. 3 WiEReG). They should report any changes to the information included in the beneficial ownership register to the Beneficial Ownership Registry authority within four weeks of learning of the change. (Art. 5 WiEReG). Legal and beneficial owners of LPs should make all necessary documents and information available to the LP to ensure that the LP can comply with the WiEReG requirements (Art. 4 of WiEReG). In addition to the information from LPs, Austria has several other mechanisms in place to ensure that the information in the Beneficial Ownership Register remains adequate, accurate and up to date. As part of their CDD process, OEs, including VASPs, are required to ensure that the CDD information they have on record, including beneficial ownership information, on their customers that are LPs is adequate, accurate and up to date (R.10, R.15, and R.22). OEs have access to the beneficial ownership register in support of their application of CDD measures but cannot exclusively rely on that information (Art. 9 and 11 WiEReG). They receive an automatic alert when the information in the Beneficial Ownership Register has been updated as a trigger for updating the beneficial ownership information they have on record. While they must report any discrepancies identified to the Beneficial Ownership Registry Authority (Art. 11 para. 3 WiEReG), they are not subject to sanctions in case of non-compliance with this requirement. Competent authorities that access the beneficial ownership register may also report discrepancies to the Beneficial Ownership Registry Authority if they conclude, while conducting their activities, that the beneficial ownership information in the beneficial ownership register is incorrect. (Art. 13 para. 3 WiEReG).

439. The Beneficial Ownership Registry Authority has a set of comprehensive measures in place for the independent verification of the beneficial ownership information to ensure that the data on record are adequate, accurate, and up to date. The authority has the power to request information, including relevant supporting documents and other written evidence, from LPs and their beneficial owners at any time (Art. 14 WiEReG).

Criterion 24.9—

440. Competent authorities have direct and timely access to basic and beneficial ownership information. The content of the Company Register, including all important documents filed by LPs (e.g. articles of association), is open to the public, either for inspection at the court or online. Information from the Association Register and the Register of Foundations and Funds is also public (cf. c.24.4).

441. All competent authorities have direct electronic access to a predefined set of beneficial ownership information in the Beneficial Ownership Register, (Art. 12(1) and (2) WiEReG) while the A-FIU, the DSN, units of regional police directorates in charge of national security (Landespolizeidirektionen), the national financial administration authorities listed in Art. 49

BAO, the Federal Fiscal Court (*Bundesfinanzgericht*), the criminal police, the public prosecutor's offices and courts have unlimited access (Art. 12(3)). This approach is fully in line with c.24.9. Public bodies that disburse public funds in the form of subsidies or which grant public tenders and licenses can request the Beneficial Ownership Registry Authority to obtain direct access to the beneficial ownership register in the course of public procurement (WiEReG, art. 9, para 2b).

442. In addition to the information available from these registers, competent authorities can rely on their powers set out in procedural law for obtaining access to basic and beneficial ownership information (cf. R.26, R.28, R.29 and R.31—cf. c.24.6).

Criterion 24.10—

443. Foreign LPs with ownership of properties in Austria (cf. c.24.1(d)) are subject to the Beneficial Owners Register Act (WiEReG) and competent authorities can access information on their beneficial ownership as described in c.24.9.

Criterion 24.11—

444. The basic information included in the company register, including all important documents filed by legal persons (e.g. articles of association), as referred to in c.24.5 is open to the public, either for inspection at the court or online. The information included in the Association Register and the Register of Foundations and Funds is also public. In addition, FIs including VASPs, and DNFBPs have direct access to the beneficial ownership register as OEs (Art. 9 para. 1 WiEReG). According to Art. 10 WiEReG, all other persons and organizations with a legitimate interest can also access the information recorded in the beneficial ownership register. Other country's competent authorities fall within this category.

Obstacles to Transparency

Criterion 24.12—

445. Bearer shares are forbidden in non-listed stock corporations, and existing bearer shares had to be converted into registered shares by the end of 2013 (Art. 9 and 262 paras 27 and 28 AktG). Bearer share certificates were deemed invalid as of October 1, 2014 at the latest (Art. 262 para.33 AktG). Currently, bearer shares are only admissible for listed stock corporations. They should be issued in the form of a global certificate (as opposed to individual certificates), which has to be deposited with a central securities depository (Art. 10 para.2 AktG). If an individual person becomes a direct or indirect beneficial owner, that person should be reported as beneficial owner for inclusion in the beneficial ownership register (Art. 2, (1), a of WiEReG).

Criterion 24.13—

446. For stock corporations, if the shares are not owned by the person who is registered as the shareholder (i.e., a nominee), the identity of the owner should be disclosed for inclusion in the corporation's shareholder register (Art. 61 AktG).

447. Austria has chosen to implement the mechanism set out in a) of this criterion. The recently amended WiEReG includes a comprehensive definition of nominee arrangements and extends requirements to all types of nominees, including nominee directors (Art. 2a, (3) of WiEReG).

448. In Austria, nominee agreements generally manifest themselves as a type of Treuhand agreement, which are set up to separate the legal and beneficial ownership of shares. The Treuhänder has the legal ownership of the shares, exercises the associated voting rights based on instructions of the Treugeber, and passes dividends to the Treugeber.

449. Prior to the recent amendments to the WiEReG, LPs were already required to disclose to the Beneficial Ownership Registry Authority when a relevant Treuhand agreement (Treuhanderschaft), including within the chain of control, was in place together with the identification of both the Treuhänder and the Treugeber (Art. 5(1), 3, a and c of WiEReG). This information is accessible to competent authorities and OEs.

450. Since January 1, 2025, nominees themselves are required to collect adequate, accurate, and up-to-date information about the identity of their nominator and the nominator's beneficial owners and disclose that information as well as their status towards the LP and, for CDD purposes, to OEs. They should also disclose that information to competent authorities upon request (Art. 4a of WiEReG). At the time of the onsite visit and except for the information on Treuhand arrangements mentioned above, the obligation to report information on nominees, which are legal or natural persons, to a public authority in line with mechanism a) of this criterion was not yet in force.

Liability and Sanctions

Criterion 24.14—

451. In terms of basic information, if a director of a company fails to submit a mandatory application to the company register and submit the required basic information, he is subject to a compulsory fine of up to EUR 3,600 (Art.24 para.1 FBG and Art. 258 para. 1 of the Stock Corporation Act). This fine can be imposed repeatedly, namely, every next fine may be imposed two months after the order imposing the previous fine has entered into force (Art.24 para.2 FBG). Additional fines apply to the members of the executive board of a stock corporation (up to EUR 3 600, Art.258 para.1 AktG) and members of executive and supervisory boards of cooperative societies (up to EUR 3,500, Art.87 GenG) who fail to keep the company's share register according to the legal provisions. Associations can be dissolved if they violate criminal law, exceed their statutory scope of action or no longer fulfil the conditions of their legal existence (Art. 29 of VerG). Associations and their board members are also subject to administrative sanctions (up to EUR 218 and up to EUR 726 for repeated offenses) for failure to register and failure to disclose changes in basic information. Similar sanctions apply to liquidators who fail to disclose the dissolution of an association (Art. 31 of VerG). These administrative fines are not dissuasive for associations with benefit from large sums of donations. The BStFG does not contain any sanctions for violation of the Federal Foundation and Fund Act.

452. In terms of beneficial ownership information, a range of proportionate and dissuasive sanctions (varying between EUR 10,000 and EUR 200,000 depending on the nature of the breach and whether the failure was intentional or not) can be applied for failure to comply with the requirements of the WiEReG, including the requirement to disclose the existence of a Treuhand agreement. In addition, failure to comply with the obligation to report (changes in) beneficial ownership information, including the existence of Treuhand agreements, is subject to a range of proportionate and dissuasive coercive penalties starting from EUR 1,000 up to EUR 4,000 and fiscal penalties up to EUR 200,000 for intentional violations of reporting obligations (Art. 16 WiEReG).

International Cooperation

Criterion 24.15—

453. Austria has mechanisms in place to rapidly, constructively, and effectively provide international cooperation in relation to basic and beneficial ownership information. The Beneficial Ownership Registry Authority is in general responsible for international cooperation in relation to basic and beneficial ownership information. Art. 14a para. 2 WiEReG provides a legal basis for the exchange of information with foreign competent authorities. The Beneficial Ownership Registry Authority may cooperate, exchange and process data with competent authorities with equivalent duties in other EU member states and in third countries if it is guaranteed that such authorities are subject to a professional confidentiality requirement as defined in Art. 33 para. 1 FM-GwG. In addition, the competent authorities listed in Art. 12 WiEReG can exchange basic and beneficial ownership information with their foreign counterparts (R.40). Moreover, foreign authorities can also access the Beneficial Owner Interconnection System of the European Union.

454. (a) Austria does not place unduly restrictive conditions on the exchange of information or assistance.

455. (b) As mentioned above in c.24.4 and c.24.11, basic information is publicly available for all LPs.

456. (c) There are no impediments to the exchange of information on shareholders which is used for the assessment of beneficial ownership information and can be exchanged based on Art.14a of WiEReG.

457. (d) Competent authorities with access to the beneficial ownership register may provide information on beneficial owners of all types of LPs to their counterparts in foreign countries (Art. 12 para 5 WiEReG).

458. (e) Austria has mechanisms in place to monitor the quality of assistance they receive from other countries.

459. (f–g) The Austrian Beneficial Owner Register has an English Website (<https://www.bmf.gv.at/en/topics/financial-sector/beneficial-owners-register-act.html>). In

this website, the contact details of the Beneficial Ownership Registry Authority can be found easily. Moreover, the possibility of submitting international requests is mentioned, that makes it even easier to find the contact details of the Registry Authority as single point of contact regarding the international exchange of beneficial ownership information.

460. *Weighting and conclusion*—Austria meets most of the requirements of R.24, which are rated Met or Mostly Met with very minor remaining deficiencies, except for the deficiency regarding nominees set out in c.24.13, which is Partly Met. While Austria significantly strengthened its requirements on nominees, relevant information is not yet included in the central Beneficial Ownership Register for all types of nominee arrangements. Recommendation 24 is rated **largely compliant**.

Recommendation 25—Transparency and Beneficial Ownership of Legal Arrangements

461. Recommendation 25 was rated partially compliant in the 2016 MER and re-rated largely compliant in the 2018 FUR.

462. R.25 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed.

Introduction

463. Express trusts cannot be set up under Austrian law. However, trustees could act from within Austria with respect to express trusts and similar types of legal arrangements established under other countries' laws. A foreign express trust and similar type of legal arrangement may therefore be entirely or partly administered in Austria—for example, banking arrangements, asset management.

464. Treuhand agreements are a very common feature of the Austrian economy and commonly used as escrow or nominee agreements (c.24.13). Considering their basic characteristics set out below, Treuhand agreements do not qualify as legal arrangements similar to an express trust.

- It is a civil contract which is not regulated in law but is based on the general principle of autonomy of the contracting parties and delimited by jurisprudence.
- It is created when a person, the Treuhänder (comparable but not equivalent to a trustee), is authorized to exercise rights over property in his or her own name, based on and in accordance with a binding agreement with another person, the Treugeber (comparable but not equivalent to a settlor).
- It can be concluded between any two persons capable of being party to a contract and can exist even without any written record.

- The Treugeber and the Treuhänder may choose to inform third parties of their agreement (*offene Treuhand* or open Treuhand) or not (*verdeckte Treuhand* or hidden Treuhand).

465. In Austria, a Treuhand has mainly the form of an escrow agreement (*Abwicklungstreuhand*) where the purchase price for the transfer of property (e.g., real estate) is held in a Treuhand account by the Treuhänder (a notary or a lawyer) until the ownership of the property is legally transferred from the seller to the buyer subject to certain conditions (e.g., entry in the land register). In addition to escrow agreements, Treuhand agreements are also set up in Austria to separate legal and beneficial ownership of company shares. As explained in R.24, the latter Treuhand agreement has the characteristics of a nominee arrangement and is therefore assessed as part of c.24.13.

Scope Extends to Express Trusts and Other Similar Arrangements

Criterion 25.1—

466. Austria did not sign The Hague Trust Convention and Austria's legal framework does not provide for express trusts nor other similar legal arrangements. The requirements of R.25 apply to foreign trusts and similar legal arrangements:

- if they are managed from within Austria. Management from within Austria shall exist where the place of residence or place of incorporation of the trustee or equivalent is in Austria; or
- in the case that their management is not in Austria or in another EU Member State, where the trustee or equivalent establishes a business relationship on behalf of the legal arrangement; or
- which commit to acquire real estate located in Austria (Art. 1, (2), 17 and 18 of WiEReG).

Criterion 25.2—

467. Austria did not sign The Hague Trust Convention and Austria's legal framework does not provide for express trusts nor for other similar legal arrangements (cf. c.25.1 above).

Risk Assessment and Risk Mitigation

Criterion 25.3—

468. (a) Austria's legal framework does not provide for express trusts or other similar legal arrangements (cf. c.25.1).

469. (b) and (c) The comprehensive risk assessment of foreign legal persons and arrangements described in c.24.3 considered various factors that constitute a sufficient link with Austria (see factors listed in c.24.3)). No foreign trusts or other similar legal arrangements with ownership of aircrafts or ships were identified. The authorities have taken steps to manage the

identified risks, including the requirement to report beneficial owners for inclusion in the central beneficial ownership register.

Basic and Beneficial Ownership Information

Criterion 25.4—

470. (a) A trustee or person holding an equivalent position must obtain and hold adequate, accurate, and up-to-date beneficial ownership information of relevant foreign created trusts and similar legal arrangements (as set out in c.25.1). This includes information on the identity of: (i) the settlor(s); (ii) the trustee(s); (iii) the protectors (if any); (iv) the beneficiary(ies); or (v) any other natural person exercising ultimate control over the trust by other means, and take reasonable measures to verify these persons' identity, and retain copies of the documents and information used (Art. 2 and 3 paras. 1, 2, and 4 of WiEReG).

471. (b) Trustees or persons holding an equivalent position are required to take reasonable measures to understand the ownership and control structure, and obtain and hold adequate, accurate and up-to-date basic and beneficial ownership information of the LPs or LAs that are parties to the trust or similar legal arrangement (Art. 2, para 2, e; Art. 3, paras. 1, 2, and 4 and Art. 5, para 1, 3c of WiEReG).

472. (c) Trustees or persons holding an equivalent position are required to hold basic information on other regulated agents of, and service providers to, the trust or similar legal arrangements (Art. 3, para 4 of WiEReG).

Criterion 25.5—

473. Trustees or persons holding an equivalent position are required to maintain the information referred to in c.25.4 for at least five years after the beneficial ownership of the natural person ended, but not five years after the trustee's involvement with the relevant foreign trust or similar legal arrangement ceases, as required by this criterion (Art. 3, paras 1, 2 and 4 of WiEReG).

Criterion 25.6—

474. Trustees or persons holding an equivalent position are required to verify the details required by c.25.4(a) once a year to ensure that the information on record is still adequate, accurate, and up to date (Art. 3 paras 3 and 4 of WiEReG). They must report any changes in this information to the Beneficial Ownership Registry Authority within four weeks of learning of the change (Art. 5 of WiEReG).

Criterion 25.7—

475. (a) Trustees or persons holding an equivalent position shall disclose their status to OEs, including VASPs, as part of these entities' CDD processes, and submit beneficial ownership

information promptly when establishing a business relationship or when conducting an occasional transaction that is above the threshold. (Art. 3, para. 4 of WiEReG).

476. (b) Trustees and persons holding an equivalent position are required to co-operate with the Beneficial Ownership Registry Authority. In particular, the Authority may request information, including certificates and written documentation, at any time about necessary information required for the assessment of beneficial owners of LAs (Art. 14, para 4 of WiEReG). However, trustees and persons holding equivalent positions are also required to cooperate with other competent authorities and provide them with information relating to the trust or similar legal arrangement (Art. 3 (1) and (4) WiEReG).

477. (c) Trustees and persons holding equivalent positions are not prevented by law or enforceable means from providing FIs, VASPs, and DNFBPs, upon request, with information on the beneficial owners of a trust or similar legal arrangement and any of the assets held or managed under the terms of the business.

Timely Access to Adequate, Accurate and Up-to-Date Information

Criterion 25.8—

478. Relevant foreign trusts and similar LAs fall within the scope of the Beneficial Ownership Register Act. In the case of trusts and similar LAs, the requirements of the WiEReG apply to the trustee or a person comparable to the trustee (Art.3 (4) of WiEReG). The trustee should report any changes to the information included in the Beneficial Ownership Register to the Beneficial Ownership Registry authority within four weeks of learning of the change (Art. 5 WiEReG).

479. Austria has several other mechanisms in place to ensure that the information in the Beneficial Ownership Register remains adequate, accurate, and up to date, including discrepancy reporting by OEs and a set of comprehensive measures for the independent verification of the beneficial ownership information by the Beneficial Ownership Registry Authority (c.24.8).

Criterion 25.9—

480. As set out in detail in c.24.6(b) above, Austria established a central Beneficial Ownership Register for both LPs and LAs. Trustees and persons holding an equivalent position are required to report beneficial ownership information for inclusion in Beneficial Ownership Register (Art. 3(4) WiEReG). In addition, trustees are explicitly required to cooperate with the Beneficial Ownership Registry Authority and other competent authorities (c.25.7). The Beneficial Ownership Register also contains basic information on trusts and other types of legal arrangements (Art. 5a. (1) g. of WiEReG). In addition to the Beneficial Ownership Register, OEs in Austria, including VASPs, are required to obtain, hold and record information on the beneficial owners of their customers that are LAs, including on the assets held or managed (R.10, 11, and 22).

Criterion 25.10—

481. LEAs can use measures provided for in criminal procedural law to obtain access to basic and beneficial ownership information, e.g. search premises according to Art.119 StPO and seize evidence according to Art.110 para 1 no. 1 StPO. These provisions also extend to the records held by FIs, including VASPs, and DNFBPs. The A-FIU also has the power to request information from FIs, VASPs, and DNFBPs as part of its analytical processes (c.29.3(a)).

Liability and Sanctions**Criterion 25.11—**

482. (a–b) Austrian legislation contains clear responsibilities to comply with the requirements of the INR.25. Art. 3 para. 4 WiEReG establishes that in the case of trusts and similar legal arrangements, the rights and obligations pursuant to the Beneficial Ownership Register shall apply to the trustee (as set out in Art. 2 no. 2 lit. b of WiEReG) or a person holding a similar position, ensuring clear responsibilities for compliance with beneficial ownership requirements. The sanctions for failure to report beneficial ownership information to the Beneficial Ownership Registry Authority set out in c.24.14, which would extend to responding to requests from the Authority, are applicable to the trustee or persons holding a similar position. In addition, the trustee is required to cooperate with other competent authorities and provide them with information upon request (Art. 3 para 1 and 4 WiEReG) (c.25.7 and c.25.9).

483. (c) Not granting competent authorities' timely access to information regarding the trust referred to in c.25.4 and c.25.5 qualifies as a financial offense which shall be punished with a fine of up to EUR 200,000 in the case of being deliberately committed (Art. 15 (1) 5. of WiEReG).

International Co-operation**Criterion 25.12—**

484. (a) See c.24.15 (a)

485. (b) Competent authorities with access to the Beneficial Ownership Register may provide information on beneficial ownership of trusts or similar legal arrangements to their counterparts in foreign countries (Art. 12 para 5 of WiEReG).

486. (c) Domestically available information on trusts and similar legal arrangements can be exchanged with foreign counterparts based on Art. 12 para 5 of WiEReG.

487. (d) All competent authorities have access to the Beneficial Ownership Register and can exchange that information with foreign counterparts (c.21.12(c)). In addition, competent authorities can use their powers in line with R.40 (c.40.11, c.40.14, c.40.18 and c.40.24).

488. (e) See c.24.15(f).

489. *Weighting and conclusion*—Austria fully meets nearly all the requirements of R.25, except for a deficiency in the record retention period for trustees and persons holding equivalent positions (c.25.5). This deficiency does not carry much weight because Austria’s legal framework does not provide for express trusts nor other similar legal arrangements and the number of identified foreign legal arrangements with sufficient links to the country is limited. The impact of this deficiency on the overall rating is therefore limited. Recommendation 25 is rated **largely compliant**.

Recommendation 26—Regulation and Supervision of Financial Institutions

490. Recommendation 26 was rated compliant in the Austria 2016 MER.

491. R.26 was not under review. The text is copied from MER 2016 and FURs with minor non-substantive edits.

Criterion 26.1—

492. The FMA regulates and supervises all persons and entities that conduct the financial activities listed under the FATF definition of FIs, with the exception of insurance intermediaries (i.e. agents and brokers). See chart on FIs. The FMABG lists the FIs (and their relevant sectoral laws) subject to supervision and enforcement by the FMA (Art. 2 (1) to (4)). This includes the FM-GwG (Art. 2 (1), (2) and (3)) and sectoral laws, such as the BWG, ZaDiG 2018, E-GeldG 2010 (all Art. 2 (1) and (Art. 2 (2), VAG 2016), WAG 2018, BörseG 2018, BMSVG, ImmoInvFG, InvFG 2011 and AIFMG (all Art. 2 (3)). As the AML/CFT provisions are incorporated in the FM-GwG, the FMA is responsible for the regulation and supervision of FIs’ compliance with these provisions.

Market Entry

Criterion 26.2—

493. Core Principles institutions and MVTs and money/currency exchange services are required to be licensed. Most of these institutions require a license from the FMA (or the ECB), under the conditions of the BWG or other relevant financial sector laws, and the GewO for insurance intermediaries. The relevant provisions are Art.4, BWG; Art. 7, ZaDiG 2018; Art. 3, E-Money Act; Art. (3) and (4) BörseG 2018; Art. 2 (1), Regulation (EU) No 648/2012 EMIR Regulation; Art. 3 (2) 1, InvFG 2011; Art. 2 (1), ImmoInvFG; Art. 2 (1) 2, AIFMG; Art. 1 (1) 21, BWG in conjunction with Art. 18 (1), BMSVG; Art. 3, WAG 2018; Art. 6, 7 and 8, VAG; and Art. 1 and 16, GewO.

494. Since 2014, the ECB is responsible for licensing, acquisition of qualifying holdings and license withdrawals for certain CIs according to the common procedures and its mandate under the euro zone's SSM.¹¹

495. The FM-GwG defines a shell bank as a credit institution incorporated in a jurisdiction in which it has no physical presence, involving meaningful mind and management and which is unaffiliated with a regulated financial group (Art. 2 (13), FM-GwG). In order to be granted a license CIs are required to fulfil several regulatory and organizational requirements, including having their place of establishment and head office located in Austria (Art. 5 (1) 14, BWG), and to have the center of “vital interests,” a term borrowed from tax law, meaning actual physical, rather than formal presence of at least one director who is resident in Austria (Art. 5 (1) 10, BWG). While the legal framework does not explicitly prohibit the establishment of shell banks, the requirements for issuing and maintaining a license for operating a banking business in practice precludes the establishment or the continued operation of a shell bank. Furthermore, Art. 12 (1), FM-GwG prohibits OEs from entering into or continuing a CBR with a shell bank and requires them to take appropriate measures to ensure its banking correspondents, in turn, do not enter into arrangements with shell banks.

Criterion 26.3—

Credit institutions (includes currency exchange services)

496. The relevant material provisions to comply with c.26.3 are stipulated mainly in Arts. 5 (1), 20, 20a, 20b, 28a (3) and 28a (5), BWG. The following provisions are targeted at preventing criminals from holding (or being the beneficial owner of) a significant or controlling interest in a credit institution.

497. Art. 5 (1) 3, BWG requires “personal reliability” which include (as per explanatory notes and court decisions) not having: repeated violations of the BWG; offenses indicating harmful tendencies (tax offenses, misdemeanor property offenses); and meeting the criteria in Art. 20b (1), BWG of persons who hold a qualifying holding. The BWG requires collection of identification of owners of qualifying holdings and in the absence of that structure, the identification of the 20 largest shareholders (Art. 4 (3) 5 and 5a, BWG). Art. 20a–20b set out the assessment procedure and criteria for a qualified holding in a credit institution: 20b requires the suitability of proposed acquirers, including reliability (cross-referencing provisions in Art. 13 of the Trade Act excluding persons who have been convicted of certain criminal acts to a sentence of more than three months or a fine of more than 180 day fine from being authorized to conduct a business, absence of financial soundness, and where there are reasonable grounds to suspect that the

¹¹ See Art. 4 para 1 EU Council Regulation 1024/2013. Common procedures cover the assessment of the applications for both “significant institutions” and “less significant institutions” as defined in Art. 6 para 4 EU Council Regulation 1024/2013. While the ECB has direct responsibility for the prudential supervision of “significant institutions,” the direct responsibility for the supervision of “less significant institutions” except for common procedures remains with the national competent authorities. See:

<https://www.bankingsupervision.europa.eu/banking/list/criteria/html/index.en.html>

proposed acquisition may, *inter alia*, increase the risk of ML or FT). Art. 9 (1) 1 of the FMA's EKV 2016 requires the submission of details as to whether criminal proceedings are being conducted or were previously conducted against that party on account of a criminal offense or misdemeanor. Suitable evidence is to be provided, which in practice requires the submission of the applicants' criminal record (*Strafregisterauszug*). Art. 10 under 3. sub d) of the EKV 2016 requires that potential acquirers submit the beneficial owners pursuant to Art. 2 of the WiEReG) including details about the scope and reasons for the beneficial ownership. Art. 20b (1) 1 and 2, BWG requires the FMA to assess, having regard to the likely influence of the proposed acquirer, appraise the suitability of the proposed acquirer against the reliability of the interested acquirer pursuant to Art. 5 (1), and of any person who will direct the business as a result of the proposed acquisition.

498. Regarding preventing criminals from holding a management function in a credit institution, the BWG requires the personal reputation, honesty, and independence of directors (Art. 5 (1) 7), of the chairperson of the supervisory board of a credit institution (Art. 28a (3) 2), and members of the supervisory board (Art. 28a (5)). Regarding directors (Art. 5 para 1 no. 6) and the chairperson of the supervisory board (Art. 28 (3) 1, BWG), Art. 13, GewO applies, which excludes persons who have been convicted for certain criminal acts to a sentence of more than 3 months or a fine of more than 180-day fines. The FMA is also obliged to reassess suitability when there are reasonable grounds to suspect that ML or TF has been committed or attempted in connection with the credit institution (Art. 70 (4b), BWG). The FMA has also issued a circular, last updated in March 2023, regarding fit and proper requirements for members of the management board and the supervisory board as well as "key function holders," which include AML/CFT and compliance officers of CIs.

499. With regard to all procedures on qualifying holdings in CIs which are under direct supervision of the ECB within the framework of the SSM (as defined by Art. 4 (1) 1, Regulation (EU) 575/2013, namely Capital Requirements Regulations (CRR)-CIs), the ECB is the competent authority for taking decisions. Beyond the SSM, the FMA remains competent for procedures on qualifying holdings in non-CRR-CIs (nationally defined CIs). With regard to fit and proper assessments of members of the management bodies in significant institutions as defined in Art. 6 (4), EU Council Regulation 1024/2013, the ECB is the competent authority since 2014. The FMA remains competent for fit & proper assessments in less significant institutions and non-CRR-CIs.

Securities sector

500. The supervisory laws are also comprehensive for market entry in the securities sector. A number of special provisions apply to any party who intends to hold a qualifying participation in a supervised company directly or indirectly (Art. 10 (1) and (6), InvFG; Art. 2 (1), ImmoInvFG; Art. 6 (1) 4 and Art. 8 (1), AIFMG; Art. 18, BMSVG; Art. 16, WAG 2018; Art. 48 (1), BörseG 2018; Art. 31 (2), Regulation (EU) No 648/2012 (EMIR Regulation), Art. 1 seqq. of Central Counterparties Ownership Control Regulation).

501. Applicants/acquirers of a qualified holding must notify the FMA thereof in writing, specifying the size of the planned participation and providing the information required under

the supervisory laws. The FMA examines whether the natural or legal persons who hold qualifying participations in the supervised companies meet the requirements stipulated in the interest of sound and prudent management of these companies, and whether no facts are known which would raise doubts as to the personal reliability of those persons. The companies have to inform the FMA at least once a year of the names of shareholders and members possessing qualifying holdings and the respective sizes of such holdings.

502. The following provisions set out the personal and professional requirements to be met by personnel effectively managing the business of the company (i.e. the managing directors) and members of the supervisory board of securities firms. These requirements include the personal reliability and the professional competence, which is checked against submitted documents and/or through a personal interview or a fit and proper test (Art. 6 (2) 8-0, InvFG; Art. 2 (1), ImmoInvFG; Art. 6 (1) 3, AIFMG; Art. 3 (1) 7-14, BörseG 2018; Art. 27, Regulation (EU) No 648/2012 (EMIR Regulation); Art. 18, BMSVG; Art. 3 (5) 3 and Art. 12, WAG 2018).

503. Fit and proper tests are used to check the personal and professional suitability of persons holding a management function in an FI. The FMA conducts a fit and proper test concerning the proposed directors and members of the supervisory board.

Insurance undertakings

504. The following measures in the VAG 2016 apply to prevent criminals or their associates from holding (or being the beneficial owner of) a significant or controlling interest in an insurance undertaking. An insurance undertaking is to be evaluated against certain criteria to assess its sound and prudent management, in particular whether there are reasonable grounds to suspect that ML or TF is being or has been committed or attempted, or that the proposed acquisition could increase the risk thereof (Art. 26 (1), VACG 2016). The FMA checks whether the persons who holds direct or indirect participating interests of at least 10 percent of the share capital or of the voting rights or can exert a decisive influence on the management in any other way, meet the requirements stipulated in the interest of sound and prudent management of the insurance undertakings, and whether no facts are known which would raise doubts as to the personal reliability of those persons. Requirements for integrity and expertise, as well as the lack of a criminal background also apply (Art. 24 and 26, VAG 2016). Additionally, the FMA may refuse or withdraw the license in case that the interests of the insured are impaired or that the FMA is hindered from the proper performance of its supervisory obligation due to the lacking transparency of the group structure (Art. 8 (2) 10, VAG 2016).

505. The following measures have been implemented to prevent criminals or their associates from holding a management function, in an insurance undertaking. The VAG 2016 refers to the personal reliability and professional qualification of members of the management board or the administrative board or the managing directors (Art. 120, VAG 2016). Grounds for exclusion cross-refer to Art. 13, GewO (referred to above); fit and proper criteria of the members of the supervisory board are also evaluated and depending on the qualification of the chairperson of

the supervisory board this could also include a fit and proper test, which covers both probity and professional experience, including relevant sectoral expertise (Art. 123 (1), VAG 2016).

Insurance intermediaries and MVTs providers

506. Any single tradesperson (i.e. real estate agents, DPMS, and TCSPs) or employee directly being involved in insurance mediation activities is required to possess the knowledge and ability necessary for the performance of their duties (Art. 137b (1), GeWO). This can either be demonstrated by the evidence for professional qualifications required for the trades insurance mediation or financial counsellor or according to Art. 19, GewO by means of adequate professional qualification courses or by means of adequate times of practical experience. The GewO prohibits certain persons from carrying on any trade or business (Art. 13, GewO). This includes persons with a conviction for any criminal act subject to a sentence of more than three months or a fine of more than 180 times the daily rate (calculated based on income). MVTs providers are authorized as FIs, with requirements for management and qualified holdings (Art. 10 (1) 4, ZaDiG 2018).

Risk-Based Approach to Supervision and Monitoring

Criterion 26.4—

507. Banking, securities, and insurance institutions are regulated and supervised in line with Core Principles, where relevant for AML/CFT, including the application of consolidated group supervision for AML/CFT purposes. These include provisions for licensing (including fit and proper requirements), ownership and approval procedures, consolidated group supervision, risk management, general due diligence obligations, AML/CFT, on-going supervision and supervisory measures, and international cooperation pursuant, as described in this section and throughout this report.

508. Other FIs in Austria are generally regulated and supervised according to their risk, similarly to Core Principles institutions. The provision of currency exchange services falls under banking activity, and MVTs providers are supervised as domestic FIs under the ZaDiG 2018. This contains detailed provisions dealing with licensing (Arts. 7-15, ZaDiG 2018), risk management and monitoring systems for AML/CFT purposes (Art.23, FM-GwG), internal audit (Art.20 (4), ZaDiG 2018), AML/CFT measures (FM-GwG), ongoing supervision (Arts. 88-95, ZaDiG 2018), international cooperation (Art.92, ZaDiG 2018).

Criterion 26.5—

509. The FMA needs to consider certain factors when determining the frequency and intensity of its onsite and offsite AML/CFT supervision (Art. 25 (2), FM-GwG). Based on an entity's risk-profile and taking into account any other additionally relevant information, the FMA determines the frequency and intensity of its on- and offsite AML/CFT measures. In order to determine credit institution inherent risk, the FMA requires the supervised entities to answer certain questions regarding nature and scope of their business, products and services, customer structure,

geography and delivery channels and to submit relevant data via the FMA's RAT. Assessing the quality of an institution's preventive measures is primarily based on information gathered in the course of the FMA's AML/CFT supervision (onsite reports, administrative proceedings, and the external auditor's audit report on the annual financial statement etc.).

510. With respect to the determination of the frequency and intensity of its onsite and offsite supervision of insurance undertakings, the FMA takes into account the overall size, structure, and inherent risk of the insurance sector via information collected through the FMA's RAT on the one hand and, relevant information on the entities' preventive measures available from previous supervisory measures on the other. Through the initial broad coverage of the insurance sector, the FMA is able to obtain a thorough overview and comparison of insurance undertakings' AML/CFT controls and procedures and subsequently their risk profile.

511. With regards to the AML/CFT supervision of ISPs, the FMA applies an RBA to supervision on the basis of information submitted to the FMA by the institutions and other information resulting from its supervisory practice. ISPs are subject to two annual reporting requirements. First, assessment of AML/CFT controls and procedures forms part of the annex to the external auditor's audit report on the annual financial statement, which is submitted to the FMA. Second, institutions are required to report certain information i.e. on their customer structure including, geography, type of customer (private or institutional) and securities invested in, on an annual basis via the FMA's RAT. The information provided to the FMA informs the type, intensity and frequency of its prudential and AML/CFT supervision of ISPs.

Criterion 26.6—

512. Art. 25 (2) no. 3 FM-GwG requires the FMA to review the assessment of the ML/TF risk profile of OEs, including the risk of non-compliance, both periodically and when there are major events or developments affecting the OEs' management and operations. The assessment of an FI's ML/TF risk profile itself is an on-going process and entails the evaluation of all relevant and available information on the FI on an annual and ad hoc basis. Information about the inherent risk of the FI or groups is collected directly from all OEs from all financial sectors via the FMA's RAT on an annual basis. The collected information includes general information about the OE, as well as quantitative information about offered products or services, customer basis, and transactions. The residual risk is assessed through the information collected via the RAT, including any and all perceived instances of non-compliance by the FI (e.g., perceptions or findings during onsite or offsite supervisory measures), the external auditors audit report on the annual financial statements, STRs, media reports, reports submitted on the FMA's whistleblowing facility, information forwarded by other supervisors or any other submissions to the FMA. Where major events or developments in the management of the FI potentially have an impact on the FI's ML/TF risk profile, they are evaluated accordingly and the FMA's supervisory approach towards the FI (e.g. increase in frequency and intensity of regular onsite inspections or conduction of an ad hoc inspection) is modified where necessary in order to adequately reflect and mitigate the ML/TF risk.

513. Weighting and conclusion—All criteria are met. Recommendation 26 is rated **compliant**.

Recommendation 27—Powers of Supervisors

514. Recommendation 27 was rated compliant in the Austria 2016 MER.

515. R.27 was not under review. The text is copied from MER 2016 and FURs with minor non-substantive edits.

Criterion 27.1—

516. The FMA has a broad range of powers to supervise and monitor to ensure compliance by FIs with AML/CFT requirements. Art. 1 (1) and Art. 2 (1) to (3) FMABG establish the FMA as competent authority for the purpose of (prudential) supervision and enforcement of FIs' compliance with the various sectoral laws (BWG, ZaDiG, E-GeldG, VAG, and WAG) and the AML/CFT provisions contained in the FM-GwG (as referenced in Art. 2 (1) no. 19, Art. 2 (2) no. 8 and Art. 2 (3) no. 14 FMABG).

Criterion 27.2—

517. The FMA's powers to perform onsite inspections of all types of FIs are comprehensive and are laid down in Art. 30 FM-GwG.

Criterion 27.3—

518. The FMA has the power to request information and to inspect relevant documents and data, which is stipulated in Art. 29 FM-GwG.

Criterion 27.4—

519. Where an FI violates the relevant laws, regulations or an administrative ruling, including AML/CFT provisions, the FMA can apply the following range of sanctions:

- instruct the FI under threat of fines to restore legal compliance (Art. 31 (1) FM-GwG);
- impose administrative sanctions on natural and legal persons that fail to comply with the AML/CFT requirements (Art. 34 and 35 FM-GwG, please refer to c.35.1 and 35.2);
- In cases of repeated or continued violations, completely or partly prohibit the directors from managing the FI where deemed fit (Art. 31 (3) no. 1 FM-GwG).
- In cases where other measures cannot ensure the functioning of the FI, the FMA has the power to revoke the license (Art. 31 (3) no. 2 FM-GwG).

520. For CIs which are under direct supervision of the ECB within the framework of the SSM, the ECB is authorized to withdraw the license (Art. 14 Council Regulation (EU) No 1024/2013).

521. *Weighting and conclusion*—All criteria are met. Recommendation 27 is rated **compliant**.

Recommendation 28—Regulation and Supervision of DNFBPs

522. Recommendation 28 was rated largely compliant in the 2016 MER and remained largely compliant in the 2017 FUR. Minor deficiencies remained in relation to preventing associates of criminals from holding (or being the beneficial owner of) a significant or controlling interest in real estate agents, dealers in precious metals and stones, and TCSPs.

523. R.28 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Casinos

Criterion 28.1—

524. (a) Games of chance are subject to a federal monopoly to issue licenses (Art. 3 GSpG). It is prohibited to operate games of chance without a federal license (Art. 2(4), GSpG).

525. (b) Criminals and their associates are prevented from owning or operating casinos. The management of casinos should meet the criteria set out in Art.13, GewO] (Art.5 (2) no.5, GSpG). This includes absence of convictions for offenses that involve a sentence of more than three months. In addition, shareholders who are able to exercise a “dominating influence” should meet requirements of “solid and diligent management of casino and reliability with regard to public order” (Art. 14 (2) no.4, Art. 18 (1) to (5); Art. 15 (4), Art. 21 (2) no.4, and Art. 30 (1) to (5), GSpG). These requirements also cover persons that are the beneficial owner or that hold a significant or controlling interest (Art. 18 (1), (2) ad (5) and Art. 30 (1), (2) and (5) GSpG).

526. (c) The Tax Authority is responsible for the supervision of casinos for compliance with AML/CFT requirements (Art. 31, GSpG).

DNFBPs Other Than Casinos

Criterion 28.2—

527. For real estate agents, DPMS, and TCSPs (referred to as business consultants in Austria), the local district authorities are in charge of monitoring and ensuring the compliance by these DNFBPs within their territory with the AML/CFT requirements (Art.365m1 (3) by reference to Art. 333, GewO).

528. The Boards of the Regional Bars (*Ausschuss der Rechtsanwaltskammer*) are the responsible authorities within their territory for monitoring lawyers’ compliance with the professional regulations including AML/CFT requirements and measures (Art. 23 (1) and (2), RAO; Art. 1 (3), Digital Services Tax.). Cooperation and coordination with all bodies and

institutions involved in preventing and combating ML and TF fall within the responsibility of the Austrian Bar (Art. 36 para. 1 no. 10, RAO).

529. The competent regional Chamber of Civil Law Notaries (*Notariatskammer*) is the responsible authority to assess whether notaries within its territory comply with the AML/CFT provisions (Art. 154(1), NO).

530. The Chamber of Chartered Public Accountants and Tax Consultants (*Kammer der Wirtschaftstreuhänder*) is the competent authority responsible for monitoring compliance of public accountants and tax consultants with AML/CFT provisions (Art.101, WTBG).

531. The WKÖ is the competent authority responsible for monitoring compliance of the accountancy professionals with AML/CFT provisions (Art. 52f, BiBuG).

Criterion 28.3—

532. All categories of DNFBPs are subject to supervision by different authorities (c.28.2).

Criterion 28.4—

Real estate agents, DPMS, and TCSPs

533. (a) Local district authorities have powers to monitor the compliance of real estate agents, DPMS, and TCSPs with the AML/CFT requirements, which includes requesting information from the supervised entities, conducting onsite examinations and inspecting their books, as well as imposing sanctions for non-compliance (Art. 365m1 para.3 by reference to Arts. 333 and 338, GewO).

534. (b) Natural persons cannot be licensed and are prohibited from engaging in professions of real estate agents, DPMS, and TCSPs if they have been convicted for offenses that involve a sentence of more than 3 months or a fine of more than 180 daily rates, different types of fraud, or narcotics trafficking. Legal entities are excluded from the exercise of a trade if the natural person, who has a decisive influence on the operation of the business of the legal entity, is excluded from exercise of the trade for the offenses described above.

535. (c) The trade license shall be revoked by the respective local district authority if the owner is a natural person who acts as an associate of a person excluded pursuant to Art. 13(1) and (2) GewWO (art. 89 GewO). The local district authority can fine real estate agents, DPMS, and TCSPs can be punished with a fine of up to EUR 20,000 in case of infringements of the AML/CFT provisions (Art. 366b, GewO). Monetary fines (without specifying their amount) can also be imposed on legal persons or registered companies for AML/CFT infringements, however only if these are committed for their benefit by any person, acting either individually or as part of an organ of the legal person or registered company, who has a leading position within the legal person (Art. 370 paras. 1a and 1b, GewO).

Lawyers and Notaries

536. (a) The regional Austrian Bars have a general authority to monitor their members' compliance with all professional duties (Art. 23(2), RAO), which includes AML/CFT. For lawyers, professional supervision is the responsibility of the Committee of the Bar (Art. 1 DSt). For notaries, the competent regional Chamber of Civil Law Notaries is obliged to examine the files of notaries within its remit to review their business activities regularly, following a risk-based approach. This includes verifying whether notaries comply with AML/CFT provisions (Art. 154 (1), NO).

537. (b) Lawyers and notaries are subjected to suitability assessments prior to their admission or appointment and may be debarred from exercising their professions due to being found guilty of criminal offenses (Art. 5 (2) to (6), RAO and Art. 16 (1) and Art. 19 (3) DSt; Art. 6 (1) no. 2, Art. 11 (6) no. 2, Art. 180, Art. 158 and Art. 19 (1), NO). Regarding law firms, only lawyers may hold the majority in the company capital, and they must have a decisive influence on the decision-making process (Art. 21c (11) RAO).

538. (c) The Disciplinary Council of the regional Austrian Bars is responsible for dealing with disciplinary offenses of lawyers. A disciplinary penalty may result in a fine up to EUR 1 million in the case of a serious, repeated, or systematic violation of the provisions of the RAO that serve to prevent or combat ML (Section 165 StGB) or terrorist financing (Section 278d StGB) (Art. 16 (2) DSt); a disciplinary penalty of prohibition from practicing the legal profession may also be imposed (Art. 16 (3) DSt). Additionally, in cases of a final conviction for a violation of a provision that serves to prevent or combat ML (Section 165 StGB) or TF (Section 278d StGB), the Committee is required to publish the type and nature of the offense, the identity of the lawyer, and the disciplinary penalty imposed on them immediately and make this publicly accessible and available on the website of the Bar for a period of at least five years. The identity of the lawyer shall not be published if the committee concludes after a case-related examination that such publication would be disproportionate. In this case, publication shall be made in anonymized form, applying Section 15 para. 4 of the Supreme Court Act *mutatis mutandis*, unless such anonymized publication would also prove disproportionate due to the minor nature of the disciplinary penalty imposed (Art. 70 (3) DSt).

539. If a notary violates a statutory obligation in the context of AML/CFT, they are in breach of a professional duty that will be sanctioned as a major disciplinary offense. However, it will not be sanctioned by the supervisory authority, but by the higher regional court as the disciplinary court after a hearing by the senior public prosecutor. Only minor disciplinary offenses will be sanctioned by the competent regional Chamber of Civil-Law Notaries (Art. 155, NO). A disciplinary penalty may result in a fine up to EUR 1 000 000 in the case of a serious, repeated or systematic violation of the provisions of the Notarial Code designed to prevent or combat ML (Art. 165 StGB) or FT (Art. 278d StGB) (Art. 158 (1) no. 2 NO); a disciplinary penalty of suspension or withdrawal may also be imposed (Art. 158 (4) NO).

540. Additionally, in the event of a final conviction for infringement of a provision that serves the purpose of preventing or combating ML (section 165 StGB) or FT (section 278d StGB), the Chamber of Civil-Law Notaries shall, without delay, make public the nature and

substance of the infringement, the identity of the notary, and the disciplinary or administrative sanction imposed upon said notary on the publicly accessible website of the Austrian Chamber of Civil-Law Notaries. Such information shall be maintained published for a time period of no less than five years. Publication of the notary's identity shall be waived if the Chamber of Civil-Law Notaries, upon review of the specific case, has concluded that such publication would be disproportionate. In such a case, the pertinent information shall be published in anonymous form, applying section 15 (4) Supreme Court Act *mutatis mutandis*, unless such anonymous publication would appear disproportionate given the minor character of the disciplinary sanction imposed (Art. 159 (3) NO).

Accountants (public accountants, tax advisors and accountancy professionals)

541. (a) The Chamber of Chartered Public Accountants and Tax Advisors has powers to conduct audits in the case of public accountants and tax advisors (Art.102(1) and (6), WTBG).

The Austrian Federal Economic Chamber is the authority responsible for supervising accountancy professionals (Art. 52f (1) BiBuG). Supervision is conducted under a risk-based approach and includes assessments on the basis of documents provided by supervised entities and the power to conduct inspections (Art. 102(2) WTBG; Art. 52f) (1), BiBuG).

542. (b) Natural persons cannot be certified as accountancy professionals if they have been legally convicted or penalized by a court for an intentional criminal offense resulting in a prison sentence of more than three months or a fine exceeding 180 daily rates, or for a criminal offense committed with intent to enrich, a financial offense, or by a financial penal authority for an intentional financial offense (Art. 7 and 8 BiBuG). However, there are no prescribed measures to prevent associates of criminals from being professionally accredited as accountants or holding (or being the beneficial owner of) a significant or controlling interest or holding a management function in an accountancy firm.

543. (c) A person entitled to exercise the profession who intentionally violates AML/CFT duties commits an administrative offense and shall be punished by the Chamber of Public Accountants and Tax Advisors with a fine of EUR 400 to EUR 20,000. If a person entitled to exercise the profession seriously, repeatedly, or systematically violates AML/CFT duties, the person may be punished with a fine of twice the amount of the profit made as a result of the infringement, if this can be quantified, otherwise at least EUR 400 and up to EUR 1 million (Art. 105(2) par. 3, WTBG). Other measures as may be applicable, such as a temporary ban on the exercise of management and external representation, including the power of attorney of a business trust company, or the suspension of the professional license (Art. 105(2) no. 4 and no. 5, WTBG). If an accountant intentionally violates AML/CFT requirements, they may be subject to a fine of EUR 400 up to EUR 20,000 (Art. 52j (1), BiBuG). If an accountant repeatedly violates Arts. 45 to 52a, 52c and 52d, a fine or a suspension the profession can be applied (Art. 52j (2), BiBuG).

544. The Chamber of Public Accountants and Tax Advisers shall impose fines on legal entities if an infringement has been committed for their benefit by a person who has acted

alone or as part of an organ of the legal entity and who holds a management position within the legal entity (Art.105(2) no 6 and no. 7, WTBG).

All DNFBPs

Criterion 28.5—

545. Supervision of DNFBPs is to be performed on a risk-sensitive basis. The supervisory authorities have to, namely, take into consideration the risks of ML/TF of their DNFBPs' sectors and supervised entities and the frequency and intensity of the supervision measures have to follow the results obtained by such risk-evaluations and the risk-profile of their supervised entities (Art. 31 (6), GSpG; Art. 365m1 (5), GewO; Art. 23 (2), RAO; Art. 154 (1), NO; Art. 104 (1), WTBG; Art. 52i, BiBuG).

546. *Weighting and conclusion*—Some of the shortcomings identified in the 2016 MER and 2017 FUR have not been addressed. There are no prescribed measures to prevent associates of criminals from being professionally accredited as accountants or holding (or being the beneficial owner of) a significant or controlling interest or holding a management function in an accountancy firm, although these are regulated professions, subjected to professional accreditation/licensing. Recommendation 28 is rated **largely compliant**.

Recommendation 29—Financial Intelligence Units (FIU)

547. Recommendation 29 was rated partially compliant in the 2016 MER and re-rated as largely compliant in the 2017 FUR. Minor shortcomings remained as it was not yet clear at the time of the 2017 FUR whether the FIU was conducting strategic analysis using available and obtainable information, including data from other competent authorities, to identify MLTF trends and patterns.

548. R.29 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 29.1—

549. The A-FIU—which is an integral part of the BKA and carries out its functions on behalf of the BMI—is Austria's national center for receipt and analysis of STRs and other information relevant to ML, its predicate offenses and TF, and for the dissemination of the results of its analysis (Art. 4, para (2), sub-paras (1 and 2), BKA-G).

Criterion 29.2—

550. (a) The A-FIU is Austria's central agency for the receipt of STRs related to ML, its predicate offenses and TF filed by OEs, including VASPs (Art. 16, FM-GwG; Art. 52a, BiBuG; Art. 41, BWG in combination with Art. 16(1), FM-GwG; Art. 36c (1); Art. 7(6), BörseG; Art. 365t, GewO; Art. 31c, para (2), sub-para 2 and para (3), GSpG in combination with Art. 16(1),

FM-GwG; Art.8c (1) 9, RAO; Art. 96(1), WTBG; Art. 4, para (2), sub-paras (1 and 2), BKA-G and Art. 3, General Federal Decree on the A-FIU).

551. (b) The reporting obligation in Austria is focused on reporting of suspicion transactions, as set out in sub-criterion (a) above, including suspicions related to cash transactions and wire transfers, and is not threshold-based.

Criterion 29.3—

552. (a) According to sectoral legislation, OEs must provide the A-FIU, upon its request and irrespective of an STR, with all information the FIU deems necessary for preventing or pursuing ML, or TF (Art. 16 (2), FM-GwG and Art. 41 sec. 2, BWG; Art. 52a (2), BiBuG; Art. 7 sec. 7, BörseG; Art. 365t, GewO; Art. 31c sec. 3 GSpG in combination with Art. 16 (2) FM-GwG; Art. 37 sec. 6, NO; Art. 9 sec. 6, RA; Art. 96 sec. 2, WTBG). All necessary information would include information on ML predicate offenses, as it is part of the A-FIU's tasks to receive and analyze STRs and other information relevant to such offenses (Art.4(1), BKA-G).

553. (b) The A-FIU has access to a wide range of financial, administrative, and law enforcement information to properly undertake its functions. As an integral part of the CIS, and in addition to access to information upon request, A-FIU has direct access to police databases, the judicial database with criminal records, the Social Insurance Database, Central Residence Register, Companies' Register, the Beneficial Ownership Register (Art. 12(1)2 and Art. 14a WiEReG), the Central Accounts Register and the Land Register.

Criterion 29.4—

554. The A-FIU conducts both operational and strategic analysis (BKA-G, s.4(2) and FM-GwG, s.16 (4) and (5)).

555. (a) As further specified in the General Federal Decree on the FIU ("FIU Decree"), operational analysis focuses on individual cases and specific targets or on appropriately selected information, depending on the type and volume of the disclosures received and the expected use of the information after dissemination (Art. 3, para 3.2). The legal and regulatory provisions are sufficiently broad to expect that the A-FIU uses all available and obtainable information to inform its operational analysis and determine links between targets and possible proceeds of crime, ML, predicate offenses, and TF (Art. 3, para 3.2 and para 3.3, sub-para on operational analysis).

556. (b) The A-FIU is required to perform strategic analysis of the relevant information beyond the individual case, i.e. identify patterns, trends, and typologies across all cases with a view to preventing and combating ML/TF (Art. 3, para 3.4 of the FIU Decree). The A-FIU Decree specifies that to this end, it is necessary to gather and edit all information required, which is sufficiently broad to ensure that it uses available and obtainable information, including data that may be provided by other competent authorities.

Criterion 29.5—

557. The A-FIU is required to disseminate the results of its analysis pertaining to ML, predicate offenses, and TF to national authorities or bodies to combat ML, predicate offenses, and TF (Art. 4(2)1, BKA-G). This allows for spontaneous disseminations. Art. 3.5 of the FIU Decree further clarifies that these spontaneous disseminations could be in view of criminal prosecution or for information purposes. According to Art. 4 and 5 of the Decree the A-FIU may, within the scope of its operational independence, to disseminate its analysis and information on ML, predicate offenses, and TF, upon request to both national competent authorities and foreign counterparts. The FIU uses secure information channels for its disseminations (e.g. goAML, Egmont Secure Web, FIU-Net).

Criterion 29.6—

558. (a) The A-FIU is required to maintain confidentiality and source protection and has rules in place governing the security and confidentiality of information, including procedures for handling, storage, dissemination, and protection of, and access to, information (Art. 2.2.2 .3, FIU Decree).

559. (b) All staff members working for the A-FIU have the necessary security clearance and are required to undergo a security check every three years at the latest (Art. 1.5, FIU Decree with reference to Art. 55, SPG). In addition to observing the procedural regulations for the recruitment of staff (Civil Service Employees Act, Permanent Civil Servants Act, Public Notice of Vacancy Act, etc.), employees are required to comply with the Code of Conduct of the BMI. There is also mandatory training on handling classified information.

560. (c) The A-FIU is located at a dedicated floor within the building of the Criminal Intelligence Service (CIS Austria), which ensures its physical security. Only staff members of the A-FIU have access to the A-FIU data, which is securely and separately stored in the BMI servers and cannot be accessed by other units. Within the A-FIU, cases can also be further restricted to certain staff members and access to the files and data is controlled.

Criterion 29.7—

561. (a) The BKA-G establishes the A-FIU as an integral part of the Federal CIS to perform the core FIU functions set out in c.29.1 on behalf of the Federal Minister of Interior (Art. 4 (2,) 1, BKA-G). However, the BKA-G does not specify that the A-FIU shall carry out its functions freely and decide autonomously to analyze, request, and/or forward or disseminate specific information. Section 1, para 1.4 of the FIU Decree entitled “Autonomy in the fulfilment of tasks” includes a cross-reference to Art. 32 para. 3 of the 4th AMLD and R.29 with a general statement that an FIU should work independently and autonomously and an explanation of what this entails. The FIU Decree (introductory para to s. 2) further states that Decree BMI-OA1000/0082-II/BK/1.1/2018 established the A-FIU as an autonomous sub-department (BMI II/BK/7.3) of the CIS on December 1, 2018. The FIU Decree further contains references to autonomous decision making in its section 2, para 2.2 dealing with the A-FIU’s operations and in section 5 on international cooperation. There is also a

reference to operational independence in the introductory para to section 4 on official assistance on a national level. The FIU Decree has the status of an administrative regulation to guide the A-FIU's functioning and binds the signing authority (the Director General for Public Security on behalf of the Federal BMI) and any authority under their supervision (e.g. the police, including the A-FIU). However, the Decree can be amended at ministerial level at will, not bound by any provision that defines an FIU and its characteristics, and the operational independence and autonomy could therefore still be redefined at ministerial level.

562. (b) The FIU Decree states that the A-FIU decides autonomously with which countries it exchanges information and clarifies that, if necessary, it can conclude memoranda of understanding with other FIUs (Sec. 5(2) of the introduction to international cooperation).

The A-FIU also provides, within the scope of its operational independence, official assistance to other authorities and services with a view to support them in fulfilling their tasks (Section 4 on official assistance on a national level, FIU Decree). As mentioned above, the FIU Decree guides the A-FIU's functioning and can be amended at Ministerial level.

563. (c) According to the BMI's Task Allocation Plan BMI-OA1000/0082-II/BK/1.1/2018, the A-FIU has distinct core functions from those of the CIS in which it is established.

564. (d) A-FIU's assigned budget is part of the federal police budget, decided at ministerial level. A-FIU lacks autonomy over budgetary decisions, including about the number and categories of staff positions, even there is a process within the police for the FIU to indicate staffing needs. Its budgetary decisions are limited to day-to-day expenses (travel expenses, office furniture, etc.).

565. A-FIU's Head and staff can be hired under the civil servant or the civil service employee regimes. They can be recruited by assignment/allocation should they be already part of the Austrian ministries, or through an external competition. The term of their appointment may vary depending on the regime they are hired. Staff can be dismissed based on poor performance or violations to their employment terms.

Criterion 29.8—

566. Austria was a founding member of the Egmont Group and is still part of it.

567. Weighting and conclusion—The A-FIU has broad access to information and conducts operational and strategic analyses and disseminates the results of these analyses spontaneously and upon request. However, the A-FIU lacks autonomy over budgetary decisions and it is unclear if it has operational independence for hiring staff (c.29.7). Recommendation 29 is rated **largely compliant**.

Recommendation 30—Responsibilities of Law Enforcement and Investigative Authorities

568. Recommendation 30 was rated compliant in the 2016 MER.

569. R.30 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed. This new assessment has been made against recently amended Standards, as changes for R.30 were adopted by FATF Plenary in October 2023.

Criterion 30.1—

570. Competent authorities for investigating ML, predicate offenses, and TF exist at both the national and EU levels.

571. At the EU level, the EPPO was established by EU Regulation 2017/1939. Austria participates in the EPPO and the EPPO investigates and prosecutes offenses affecting the financial interests of the EU, such as fraud (see EU Directive 2017/1371 for a list of offenses), as well as any other criminal offense that is inextricably linked to criminal conduct that falls within the scope. All EU member states are required to criminalize the listed offenses, which include ML involving property derived from the criminal offenses listed in EU Directive 2017/1371.

572. In addition to investigative powers that are available to EPPO prosecutors under their respective national law, certain investigative measures, and other measures are available to the EPPO under Art. 30 (1) of EU Regulation 2017/1939, provided that the offense under investigation carries a maximum penalty of at least four years of imprisonment. These include the power to track and trace objects, search, and seizure, order the production of objects, documents, or computer data, freeze instrumentalities or proceeds of crime and intercept electronic communications.

573. At the national level, designated LEAs—namely, public prosecutors and their subordinate criminal police—are obligated to initiate investigations when there is suspicion of an offense (Art. 1(2) StPO). Among these, the Central Public Prosecutor's Office for Combating Economic Crimes and Corruption (WKStA) specializes in prosecuting economic crimes, corruption, and related ML cases when specific damage thresholds are exceeded. In all other cases, jurisdiction lies with the general public prosecutor's offices.

Criterion 30.2—

574. LEAs are authorized to investigate ML/TF offenses during a parallel financial investigation regardless of where the predicate offenses occurred. Parallel financial investigations related to the investigation of ML/TF and their predicate offenses are led by the public prosecution offices, and depending on the type of financial offense involved, the investigations are executed by the police or customs authority or tax investigation offices. The police, the ARO at federal level, and the AR groups at the nine regional criminal investigation offices are competent, upon request, to assist other criminal police units to conduct financial investigations and to co-ordinate between police units in complex cases.

Criterion 30.3—

575. All Austrian investigative authorities referred in c.30.2 are required to identify, trace, freeze, and initiate the seizing of criminal property and property of corresponding value.

Criterion 30.4—

576. If tax fraud and other fiscal offenses qualify as predicate offenses for ML, the Austrian Customs Office or the Office for Combating Fraud can conduct investigations (Art. 58 (1) FinStrG) and, in more serious cases (Art. 53 (1)-(3) FinStrG), hold the same authority as LEAs in criminal proceedings in relation to fiscal offenses, i.e. they are entitled to pursue parallel financial investigations and to initiate freezing and seizing (Art. 196 (1), FinStrG).

Criterion 30.5—

577. The WKStA is responsible for prosecuting complex corruption offenses (Arts. 20a and 20b, StPO). Its jurisdiction also extends to related ML and TF offenses if they are connected to corruption offenses and meet specific jurisdictional criteria, such as significant damage or a particular public interest. On the police level, the BAK, which is subordinate to the competent public prosecutor's office, is responsible for corruption offenses and related ML cases (Art. 4, BAK-G). The WKStA and the BAK have, within their areas of jurisdiction, the same obligations and powers of other public prosecutors' offices and police authorities including the power to conduct of parallel financial investigations and to identify, trace, and initiate the freezing and seizing of criminal property and property of corresponding value.

578. Weighting and conclusion—All criteria are met. Recommendation 30 is rated **compliant.**

Recommendation 31—Responsibilities of Law Enforcement and Investigative Authorities

579. Recommendation 31 was rated largely compliant in the 2016 MER. Minor shortcomings were identified in relation to steps impeding LEAs' ability to identify, in a timely manner, whether natural or legal persons hold or control accounts (c.31.3). Banks also had the possibility to appeal before the court the request for records.

580. R.31 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed. This new assessment has been made against recently amended Standards, as changes for R.31 were adopted by FATF Plenary in October 2023.

Criterion 31.1—

581. Regarding the participation in the EPPO, see R.30.

582. Regarding the participation in Europol, see c.40.1.

583. Competent authorities investigating ML, associated predicate offenses and TF are broadly able to obtain access to documents and information for use in those investigations, prosecutions and related actions. Compulsory measures include:

(a) *Production of records held by FIs, DNFBPs, and other natural or legal persons:* LEAs can obtain access to documents of FIs if there is reason to assume that objects, records, or other documents that can be obtained are necessary for the investigation (Arts. 109 and 116, StPO). Banking records are obtained through an order of the public prosecution office approved by the court. Information from the register of bank accounts (i.e., accountholder information) can be accessed through an order of the public prosecution office without the need of court approval (Art.116(5) StPO).

Regarding DNFBPs, it is generally admissible to execute search warrants and seizures at the premises of lawyers, notaries, and chartered accountants. Casinos, real estate agents, and DPMS are not subject to professional secrecy under the StPO and hence house searches and other coercive measures may be conducted at their premises. In case documents of a lawyer, notary, or chartered accountant are seized, Art.112 StPO provides for a special procedure (documents are sealed and reviewed by a judge). In addition, every person who possesses objects or assets to be seized is obliged to hand them over to the criminal police if requested to do so (Art. 111, StPO). If information stored on data carriers is to be seized every person is required to grant access to this information and on request hand over or produce an electronic data storage medium in a file format commonly used.

(b) *Search of persons and premises:* Arts. 117 and 119 StPO provide for the power to search accused persons and their premises. In the case of imminent danger, a search warrant is not necessary. According to Art. 93 StPO, the police may use certain coercive measures, but also certain forms of seizure or searches without application. Other forms of coercive measures (e.g. fines or coercive detention against uncooperative persons, other searches and seizures) need an application to the prosecution or the courts.

(c) *Taking witness statements:* According to Art. 153 StPO, every person, including witnesses, are obliged to follow the summoning of the criminal police, the public prosecution office, or the court. Witnesses are also obliged to give full and truthful testimony. Certain DNFBPs such as lawyers, notaries, and chartered accountants are exempted from testifying or have legally granted rights to refuse to testify pursuant to the provisions set forth in Arts. 155 to 158 StPO, about matters that become known to them in their professional capacity. Unless they do not explicitly waive their rights to refuse to testify, a testimony that is nevertheless given is legally void and must not be used during further proceedings. The right to refuse to testify must not be circumvented by seizure of documents.

A Supreme court decision clarified that the lawyers acting at a different capacity than professional legal representatives – the specific case, insolvency administrators, asked to testify about

observations and activities carried out in the course of insolvency proceedings—have a duty to testify.¹²

(d) *Seizing and obtaining evidence*: Objects, property, and data can be seized for evidentiary purposes (Arts. 109 and 110 StPO). In general, a seizure is executed by the criminal police upon order of a public prosecutor. In addition, there is a special form of seizure applicable to storage media and data (e.g., mobile phones) (Art. 115f StPO) subject to stricter conditions. The seizure of such media or data is permissible if it appears necessary for evidentiary purposes and if, based on certain facts, it can be assumed that such seizure will yield information essential for the investigation of a criminal offense. The criminal police must obtain a prior court order; except in cases of imminent danger where the criminal police is entitled to freeze the items and then obtain judicial confirmation.

Criterion 31.2—

584. Competent authorities are able to use a range of investigative techniques for the investigation of ML, associated predicate offenses, and TF; however, they do not cover all elements under (b) and (c).

585. (a) Undercover operations: Criminal police officers or other persons, upon instruction of criminal police officers, are authorized to conduct undercover operations. In general, undercover operations are permissible whenever deemed necessary to investigate criminal acts (Arts. 129 and 131, StPO). Undercover operations conducted during a longer time period and in a systematic manner require an order from the public prosecution office.

586. (b) and (c) Intercepting communications and accessing computer systems: These are permissible pursuant to Arts. 134, 135, 137, 138, and 139, StPO. Such measures require an order of the public prosecution office, approved by the court.

587. However, after the Austrian Constitutional Court declared certain measures to install programs enabling remote real-time surveillance of encrypted communications under Art. 135, StPO unconstitutional, because not all offenses for which this was permitted possessed the requisite level of seriousness (Constitutional Court decision of December 11, 2019, case numbers G 72-74/2019-48, G 181-182/2019-18), the country has not yet established a new legal basis for the use of such technical instruments with regard to particularly serious offenses as would currently be required for the real-time interception of such communications.

¹² Austrian Supreme Court (OGH), Judgment of July 9, 2013, Case No. 14Os104/12v.

588. (d) Controlled delivery: It is permissible pursuant to Art. 99, StPO in connection with Arts. 71 and 72, EU-JZG. The criminal police have to notify the public prosecution office of any such controlled deliveries.

Criterion 31.3—

589. Competent authorities have timely access to a range of information, to support the identification and tracing of criminal property and property of corresponding value.

590. (a) The public prosecutor's office can order access to information from the central account register (*Kontoregister*) (Art.116 (3) StPO). The order is generally disclosed to the suspect and persons authorized to act on the account, but notification can be postponed for as long as it would jeopardize the purpose of the investigation (Art. 116 para. 5, StPO).

591. (b) Financial investigations can be conducted by querying a number of databases and public registers, such as the Central Vehicle Register; the Commercial Register; the Register of Beneficial Owners; the Land Register; the Ship Register; the Register for Aircraft, Helicopters & Motor Gliders; and the Central Register of Residents (Guidance on Asset Recovery 2020, sections 3.2 and 3.8). Access to information contained in these registers can be done without any notification to the owner.

592. As noted under c.4.10, Art. 76 para. 1, StPO authorizes LEAs to directly request assistance from all other federal and state authorities, including tax authorities.

Criterion 31.4—

593. Competent authorities conducting investigations of ML, associated predicate offenses, and TF are able to ask for all relevant information held by the A-FIU (Art. 4.2, BKA-G).

594. *Weighting and conclusion*—Overall Austrian law enforcement and investigative authorities have broad powers to access information, with a minor shortcoming due to the absence of a legal basis for the use of remote interception of real-time encrypted communications (c.31.2). Recommendation 31 is rated **largely compliant**.

Recommendation 32—Cash Couriers

595. Recommendation 32 was rated largely compliant in the 2016 MER. Minor deficiencies were identified in relation to the fact that available sanctions for non or false declarations/disclosures did not seem dissuasive, and there was not a specific provision enabling the authorities to seize cash and BNI if there is a suspicion of a predicate offense, or if there is a false declaration or disclosure.

596. R.32 is newly assessed as Austria has made legal, regulatory or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 32.1—

597. External EU borders. Austria has a declaration system, which acts as a control on cash entering or leaving the EU, applying EU Regulation 2018 / 1672. Art. 3 of EU Regulation 2018/1672 requires natural persons entering or leaving the EU to declare accompanied cash (defined, *inter alia*, to include any currency and BNIs, to the value of EUR 10,000 or more). This applies if the cash is on the traveler's person, in their luggage, or in their means of transport. Art.4 of the Regulation provides that where unaccompanied cash (including by post, courier, unaccompanied luggage, or containerized cargo) of EUR 10,000 or more is entering or leaving the Union, the competent authorities (defined as customs and any other authorized authorities) may require the sender or recipient (or an authorized representative) to make a disclosure declaration within a deadline of 30 days.

598. Intra-EU borders. Austria enacted a disclosure system for natural persons transporting cash and BNIs of EUR 10,000 or more across its intra-EU borders (Art. 17b(1), ZollR-DG). For unaccompanied cash and BNIs in the intra-European cross-border context (including by post, courier, unaccompanied luggage, or containerized cargo), Austria requires a disclosure declaration in line with the above-mentioned provisions for external EU borders (Art. 17b(2), ZollR-DG).

Criterion 32.2—

599. External EU borders. Austria's declaration system for external EU borders is a written system for all travelers carrying cash to the value of EUR 10,000 or more. Art. 3 of EU Regulation 2018/1672 requires a written declaration for all travelers carrying cash to the value of EUR 10,000 or more, using a template declaration form as laid out in Commission Implementing Regulation (EU) 2021/776. Art. 3 also states that "The obligation to declare cash shall not be deemed to be fulfilled if the information provided is incorrect or incomplete or if the cash is not made available for control," i.e. an obligation that the declaration is truthful.

Criterion 32.3—

600. External EU borders. For unaccompanied cash, Art. 4 of EU Regulation 2018/1672 provides that "The obligation to disclose unaccompanied cash shall not be deemed to be fulfilled where the declaration is not made before the deadline expires, the information provided is incorrect or incomplete, or the cash is not made available for control" i.e. to provide authorities with appropriate and truthful information upon request.

601. Intra-EU borders. At the request of the customs authorities, natural persons are required to provide information as to whether they are transporting cash or BNIs (Art. 17b(1), ZollR-DG). There is a general provision requiring that all information provided to the customs authorities be provided truthfully to the best of one's knowledge and belief (Section 16 (2) ZollR-DG in conjunction with Section 143 of the BAO) and cash may be provisionally withheld until the disclosure declaration is submitted. Anyone who intentionally or negligently submits an incorrect disclosure statement is subject to criminal liability under section 48b para (1)2 FinStrG.

602. For unaccompanied cash, Austria may require a disclosure declaration in line with the above-mentioned provisions for external EU borders in the intra-European cross-border context (Art. 17b(2), ZollR-DG) within 30 days. There is also the general requirement for the disclosure declaration to be truthful, as described above.

Criterion 32.4—

603. See c.32.2 and 32.3 above.

604. At the request of the customs authorities, natural persons are required to provide information as to whether they are transporting cash above the threshold (Art.17(b)(1), ZollR-DG). Upon discovery of a false declaration or disclosure of cash and BNIs or a failure to declare or disclose them, the customs authorities can order the temporary detention of cash if there are indications that the cash—irrespective of the amount—is related to a criminal activity in accordance with Art. 3(4) of Directive (EU) 2015/849 (Art.17c(1)5, ZollR-DG). However, similar to the EU framework, the referenced provision does not provide the authority the power to request and obtain further information from the carrier with regard to the origin of the currency or BNIs and their intended use.

605. In addition, at the EU level, EU Regulation 2018/1672 allows competent authorities to temporarily detain the cash in such cases (c.32.8), but does not provide any power to request or obtain additional information from a traveler (in the case of a false declaration) or a sender/recipient (in cases of a false disclosure declaration).

Criterion 32.5—

606. External EU borders and intra-EU borders. At EU level, Art. 14 of EU Regulation 2018/1672 requires member states to introduce effective, proportionate, and dissuasive penalties for cases where there has been a failure to comply with the declaration or disclosure requirements. Thus, each member state determines the amount and nature of any sanctions and should do so in line with Art.14. Under Austrian national law, a false declaration or failure to make a disclosure is subject to a monetary penalty of up to EUR 100,000 (strong intent) or up to EUR 10,000 (negligence) (Art. 48b, FinStrG). These sanctions apply to false declarations pursuant to the EU regulation, absence/false declaration for movements of cash entering/leaving the EU and in the intra-European cross-border context. They apply to natural persons as well as legal persons, if a natural person acts on behalf of or for the benefit of a legal person (Art. 1(2) and Art. 28a FinStrG and Art. 1(2) VbVG).

607. The amount of the sanctions does not qualify as proportionate or dissuasive, as it is not proportionate to the value of undeclared cash/BNI.

Criterion 32.6—

608. Customs are required to provide the declaration/disclosure information to A-FIU for the fulfilment of its statutory duties (Art. 17b(4), ZollR-DG).

609. At the EU level, Art. 9 of EU Regulation 2018/1672 requires that the competent authorities shall record the declaration and disclosure information and make it available to the FIU of the Member State where the information was obtained as soon as possible, and in any event within 15 days. Information is transmitted through the CIS, a database directly accessible by the FIU, in accordance with Art. 5 of Implementing Regulation 2021/776. The FIU is also required to share the information with relevant FIUs from other EU member states in accordance with Art. 53(1) of EU Directive (EU) 2015/849. All EU member state FIUs are connected to CIS.

Criterion 32.7—

610. External EU borders and intra-EU borders. Domestic law requires the customs office to immediately notify the Austrian tax office and the anti-fraud office of any cash detentions (Art. 17c(3), ZollR-DG). In terms of coordination there are meetings held on case-related basis among relevant divisions in the BMF and the BKA, including the A-FIU to discuss and co-ordinate matters of common interests or linked with tax or customs fraud as well as organized crime.

611. In relation to the EU supranational legislation, notwithstanding the requirement assessed in c.32.6, there are no EU requirements ensuring adequate coordination between relevant authorities at a national level on the implementation of R.32.

Criterion 32.8—

External EU borders and intra-EU borders

612. At the EU level, Art. 7 of EU Regulation 2018/1672, which has to be implemented under national law, allows competent authorities to temporarily detain cash when the obligation to declare or disclose cash has not been fulfilled or when there are indications that the cash (irrespective of the amount) is related to criminal activity. The initial detention period is limited to 30 days, but this can be extended by competent authorities to 90 days in appropriate cases, where this is necessary and proportionate.

613. In addition, under Austrian law, the Austrian Customs Office is allowed to temporarily detain cash and/or BNIs when the obligation to declare or disclose cash has not been fulfilled or when there are indications that the cash (irrespective of the amount) is related to criminal activity (Art. 17c, ZollR-DG with reference to Art. 7, EU Regulation 2018/1672). This provision applies both in the external and intra-EU borders context. The initial detention period is limited to 30 days, but this can be extended by competent authorities to 90 days in appropriate cases, where this is necessary and proportionate. The Austrian tax office, the tax office for large companies and the anti-fraud office must be informed immediately of any temporary detention.

Criterion 32.9—*External EU borders and intra-EU borders*

614. At the EU level, Art. 10 of EU Regulation 2018/1672 requires exchange of declaration/disclosure information with competent authorities in other EU member states, and Art. 11 allows such exchange of such information through mutual administrative assistance with authorities in third countries (subject to conditions). Art. 9(2) also requires exchange of such information with relevant FIUs in other EU member states. Under Art. 13 all declaration/disclosure information (which includes information on the currency/BNI, and the identification data of the traveler/carrier) is to be retained for five years, and may be further retained for an additional period of up to three years in specific circumstances.

615. The Austrian customs office is the competent authority for monitoring the movement of cash across the border. An exchange of information with third countries in relation to the movement of cash would therefore also be possible if the customs authority in the third country concerned is also responsible for monitoring cross-border cash movements. In the case of enquiries from third countries in connection with the cross-border transfer of cash, it is checked on a case-by-case basis whether data may be transferred to the third country. More than 100 agreements of varying content are currently applicable. In addition, exchange of information based on MLAs is possible in cases of suspected ML.

Criterion 32.10—

616. Austria has safeguards in place to ensure that personal data collected meet the GDPR¹³ requirements for the processing of personal data, including confidentiality, minimum data processing, and purpose limitation. Customs are also bound by a general obligation of secrecy (EU Regulation 952/2013, Art. 12).

617. For external EU borders, Art. 13 and recital 33 require that the use of personal data shall be carried out in accordance with EU law, and compatible with the purposes of Regulation 2018/1672. Any collection, disclosure, transmission, communication, and other processing of personal data is also subject to the requirements of Regulations (EC) 45/2001 and (EU) 2016/679 of the European Parliament and of the Council. Art. 11 requires that any transmission of cash information to a third country is subject to the written authorization of the competent authority which originally obtained the information and must also comply with national and EU law on the transfer of personal data to third countries. All EU member states are part of an internal market, an area without internal frontiers in which the free movement of goods, persons, services, and capital is ensured (Art. 26/2 TFEU and Preamble of EU Regulation 1889/2005).

¹³ Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

Criterion 32.11—

618. See c.32.5 above. In addition, persons who are carrying out a physical cross-border transportation of currency or BNIs that are related to ML or TF can be held responsible under Arts. 165 and 278d, StGB (c.3.9 and c.5.7) respectively. Measures consistent with R.4 which enable the confiscation of currency or BNIs also apply.

619. *Weighting and conclusion*—Austria has in place declaration (EU external borders) and disclosure (intra EU borders) systems for incoming and outgoing cross-border transportation of currency and BNIs. However, available sanctions for non or false declarations/disclosures are not proportionate or dissuasive (c.32.5), there are no provisions to request and further obtain information from the carrier with regard to the origin of the currency or BNIs and their intended use (c.32.4), and the framework for exchange of information with third countries is unclear (c.32.9). Recommendation 32 is rated **largely compliant**.

Recommendation 33—Statistics

620. Recommendation 33 was rated partially compliant in the 2016 MER. Moderate shortcomings were identified in relation to the fact that gathering of central statistics on MLA had only begun in 2015 and that statistics on MLA and other international cooperation were more comprehensive for non-EU cooperation but more limited within the EU. Statistics on property and asset seizures and confiscations were not maintained.

Criterion 33.1—

621. Relevant statistics are kept by various authorities but are not comprehensive for all areas listed under this criterion.

622. (a) The A-FIU keeps statistics on STRs, received and disseminated. All statistics are expanded to VASPs since 2020. Compilation of STRs statistics is also required under Art. 3 (8), FM-GwG.

623. (b) Statistics on investigations, prosecutions and convictions are collected as part of broader statistical efforts, such as the Police-Recorded Crime Statistic (*Polizeiliche Kriminalstatistik*), which compiles criminal police investigations for all types of offenses, reported to public prosecutors, the electronic register of the courts and public prosecutors (*Verfahrensautomation Justiz*), and Statistics Austria. Statistics on ML and TF investigations, prosecutions, and convictions are available through the MoJ case management system.

624. (c) Statistics on property seized is recorded through an interface between the protocol system of the police (PAD) and the database for recovered assets (*Vermögensicherungsdatenbank*) at the CIS Austria. A-FIU keeps statistics on frozen assets initiated by A-FIU, but there is no comprehensive statistics of assets frozen beyond FIU. The BMJ keeps statistics on assets forfeited and confiscated.

625. (d) The A-FIU did not demonstrate that it maintains comprehensive statistics of requests for international cooperation made and received. Europol's SIENA maintains statistics of cooperation requests sent and received between Austrian LEAs and foreign counterparts for ML crimes. In Austria, each competent authority (e.g., local/regional law enforcement, specialized police units) manages its own investigations and corresponding international cooperation requests, which limits data accessibility. In addition, statistics on MLA and extradition are not comprehensive enough to establish the effectiveness and efficiency of formal international cooperation, as required under the FATF Standards (IO.2).

626. *Weighting and conclusion*—Austria maintains comprehensive statistics on STRs received and disseminated, ML/TF investigations and convictions, property seized and confiscated, and keeps statistics on MLA and other international cooperation requests. There are no statistics on assets frozen and statistics on MLA, extradition and A-FIU's international cooperation are not comprehensive to establish the effectiveness and efficiency of formal international cooperation. Recommendation 33 is rated **largely compliant**.

Recommendation 34—Guidance and Feedback

627. Recommendation 34 was rated largely compliant in the 2016 MER. Minor shortcomings identified were in relation to the lack of methodical feedback provided on STRs.

628. R.34 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation and follow-up report.

Criterion 34.1—

A-FIU

629. The A-FIU is required to inform all OEs about up-to-date methods and indications of ML and TF and provide timely feedback concerning the quality of and follow-up given to STRs (Art. 16 para. 4, FM-GwG). Case-by-case feedback is given upon request of OEs. The A-FIU also issues notices that contain information on persons of interest, description of phenomena, trends and patterns, and overall news that support STR detection and reporting. The A-FIU actively participates in PPPs such as FINA for FIs, Crypto-FINA for VASPs, and others for lawyers and notaries, casinos, the commercial sector, and NPO sector, which contribute to awareness-raising and to improve STRs. In addition, the A-FIU delivers regular trainings for OEs and organizes ad hoc meetings in cooperation with AML/CFT supervisors on emerging trends and typologies. The A-FIU also issues annual reports with current ML/TF trends (typologies) and statistics.

Financial Sector and VASP Supervisor—FMA

630. The FMA has issued various circulars relating to AML/CFT matters, including to assist FIs and VASPs with the implementation of legal provisions on preventive measures and to

provide good practices (last updated in 2022). These circulars do not constitute a legal regulation but serve as guidance. They are available on FMA's public website:¹⁴

- Circular on Due Diligence Obligations
- Circular on Reporting Obligations
- Circular on the Risk Assessment
- Circular on Internal Organization

631. In addition, the FMA provides feedback to individual FIs and VASPs during offsite and onsite inspections, subsequent administrative proceedings, and through regular engagement with supervised entities and stakeholders in established forums and a range of conferences organized by the FMA and other competent authorities or stakeholders.

DNFBP Supervisors

Casinos

632. Art. 31c para. 4 GSpG, sets the legal framework for ensuring that casinos are provided with current information on ML/TF methods and indicators to identify suspicious transactions, and receive timely feedback regarding their STRs. In practice, the casino supervisory authority (the Tax Authority), communicates information during regular bilateral meetings with the two license holders, trainings, and onsite inspections. The Tax Authority shares information gathered through trainings and the national and international exchange with supervisory authorities and the A-FIU. The A-FIU also trains casino licensees.

Lawyers and notaries

633. The Austrian Bar issued a guidance manual on how to prevent ML and TF for lawyers and published it on the Austrian Bar's internal website in August 2014. It includes guidance on overall AML/CFT requirements, CDD measures (including PEPs) with two sample questionnaires for client identification, STRs, and risk analysis (with a sample-mandate-risk-assessment-checklist). The Austrian Bars and Lawyers' Academy, as well as regional Bars, organize trainings for lawyers on the prevention of ML and TF several times a year. There are also webcasts, the Austrian Lawyer's Journal, newsletter of the Austrian Bar as well as media of the Bars on recent developments in AML/CFT.

634. The Austrian Chamber of Civil Law Notaries has issued a guidance manual for Austrian notaries to prevent ML and TF. It includes guidance on CDD measures (including PEPs), STRs, as well as potential red flag indicators. Notaries and candidate notaries are given an opportunity to attend seminars and trainings to comply with the legal requirement to provide training in line with

¹⁴ <https://www.fma.gv.at/en/fma/fma-circulars/>

the size and risk profile of the office. Concrete feedback to notaries on their implementation of preventive measures is provided by the regional Chambers of Notaries.

Real Estate Agents, DPMS, and Business Consultants

635. The A-FIU issued guidance for DNFBPs, which covers risk factors, reporting on the goAML platform, and due diligence and reporting obligations. Information is also available on the website of the BMWET. Awareness-raising workshops are also held for professional groups.

Accountants

636. The Austrian Economic Chambers has issued several guidance documents for the accounting professions, including an AML manual and risk assessment guidance. A dedicated webpage also explains the main AML/CFT obligations, including information on preventive measures, risk analysis due diligence obligations, and STR reporting.

Other Guidance

637. The Beneficial Ownership Register provides guidance to comply with the beneficial ownership requirements of the WiEReG, including the obligation for OEs to report discrepancies. This guidance can be accessed via the website of the BMF.¹⁵

638. In addition, the Beneficial Ownership Registry Authority organized in recent years training events for professional bodies (such as for lawyers or accountants). The Authority also monitors the use of the Beneficial Ownership Register by FIs and DNFBPs and the results are shared with the supervisory authorities and SRBs of the OEs. The Authority's website provides an e-mail address and telephone hotline to seek clarifications and get feedback on their compliance performance.

639. *Weighting and conclusion*—The FMA and most DNFBP supervisors have issued adequate AML/CFT guidance for their supervised sectors. In terms of feedback, FMA and the A-FIU provide feedback, including on the quality and follow-up given to STRs. The A-FIU, FMA, and most DNFBP supervisors engage on a regular basis with supervised entities through awareness raising and training initiatives. Recommendation 34 is rated **compliant**.

Recommendation 35—Sanctions

640. Recommendation 35 was rated compliant in the Austria 2016 MER.

¹⁵ <https://www.bmf.gv.at/en/topics/financial-sector/beneficial-owners-register-act/Inspection-of-the-Beneficial-Owner-Register.html> and <https://www.bmf.gv.at/en/topics/financial-sector/beneficial-owners-register-act/Register-of-Beneficial-Owner.html>

641. R.35 is newly assessed as the Assessment Team—as per para.76 of the 5th Round Procedures for the FATF AML/CFT/CPF Mutual Evaluations—highlighted a relevant shortcoming that was previously noted in the country’s MER but not reflected in the rating.

Criterion 35.1—

642. The FMA has the power to impose administrative sanctions on legal persons (FIs) and natural persons (executive directors of FIs (Art. 9 (1), Administration of Criminal Law (*Verwaltungsstrafgesetz*—VStG) or responsible representatives of FIs (Art. 9 (2) and (4), VStG), (for intentionally or negligently) failing to comply with the relevant AML/CFT requirements laid down in the laws and regulations implementing the requirements set forth in R. 10-21.

The FM-GwG provides the legal basis for the imposition of sanctions depending on whether a non-qualified or qualified offense (severe, repeated, or systematic breach) has been committed, and different ranges of fines are available (Art. 34 and 35c, FM-GwG):

- Legal persons can be fined up to EUR 150,000 for non-qualified offenses (Art. 35 (3), FM-GwG) and up to EUR 5 million or up to 10 percent of the total annual turnover for qualified offenses (Art. 35 (3), FM-GwG).
- Natural persons can be fined up to EUR 150,000 for non-qualified offenses (Art. 34 (1), FM-GwG) and up to EUR 5 million or up to double the amount of the gain for qualified offenses (Art. 34 (2), FM-GwG).

643. Furthermore, the FMA can issue all instructions that are necessary and suitable to restore legal compliance (Art. 31 (1), FM-GwG). This includes certain restrictions on business activities or de-risking. Where OEs fail to comply with FMA’s instructions, the FMA can impose (repeated) coercive penalties of up to EUR 30,000 (Art. 22 (11), FMABG). Additionally, the FMA can also temporarily prohibit natural persons from exercising their managerial functions (Art. 31 (3) 1, FM-GwG) and ultimately also revoke a FI’s license (Art. 31 (3) 2, FM-GwG) in case of severe, repeated, or systematic breaches (c.27.4). Banking licenses are granted with respect to each of the activities listed in Art. 1 (1), BWG. Therefore a (partial) revocation of a license may only affect the exercise of a particular line of business or activity, e.g., current account business (Art. 1 (1) 2, BWG) or custody business (Art. 1 (1)5, BWG). This therefore allows the FMA to restrict an FI’s business.

Insurance Intermediaries

644. The local district authorities can apply an administrative fine of up to EUR 20,000 for failure to comply with AML/CFT provisions (Art. 366b, GewO).

Failure to Comply with Targeted Financial Sanctions (R.6)

645. The SanktG envisages both judicial and administrative penalties, including for violations of the relevant directly applicable EU Regulations (Art. 12-15, SanktG). In case of judicial penalties, the perpetrator faces imprisonment of up to two years or a fine of up to 360 times the daily rate. In case of administrative penalties, the perpetrator will be punished by imprisonment

of up to six weeks or a fine of up to EUR 50,000. Whether a violation is punished by a court, or an administrative authority is determined by the value of the transaction. If a transaction exceeds the threshold of EUR 100,000, judicial sanctions shall apply.

Failure to Comply with NPO Requirements (R.8)

646. Austria indicates that Art. 29 and 31, VereinsG determine administrative sanctions. The competent authority (BMI) scrutinizes the formalities of the incorporation procedure with respect to associations. Violations will be punished by administrative penalties from EUR 218 up to EUR 726, unless the offense committed constitutes a criminal offense as well (Art. 31, VereinsG). Further, according to Art. 29 the competent authority may issue an order of dissolution/liquidation of the association (c.8.4).

DNFBPs (i.e., Failure to Comply with R.22–R.23)

Casinos

647. The relevant provisions are Arts. 14 (7), 23 and 52 (1) Z.8 GSpG. An administrative offense carrying a fine of up to EUR 22,000 is committed by whoever fails, contrary to the provisions of Art. 25 (6) and (7) or 25a, GSpG. The BMF can also issue an order to the casino, forbid the managers of the license from continuing to manage the license, and withdraw the license. This measure legally applies to both land-based and internet casinos.

Lawyers

648. The identification, record-keeping, and due diligence requirements implemented by the professional regulations for Austrian lawyers apply to lawyers as well as to law firms; moreover, every lawyer belonging to a law firm also has to observe the laws and regulations personally. This responsibility may neither be constrained nor suspended by a company agreement, by any decision of the company's members or measures by the management (Art. 21b, RAO). The disciplinary council of the Austrian Bar may impose sanctions for non-compliance ranging from a written reprimand, a fine up to EUR 1 million, the debarring from the lawyers' profession up to one year, up to the deletion from the list of lawyers i.e., a permanent exclusion (Art. 16 (1), DSt).

Notaries

649. As far as civil law notaries are concerned, the comprehensive identification, record-keeping, and due diligence requirements mentioned here apply to notaries, as well as to notarial partnerships (on notarial partnerships, see Art. 22–25, NO). If a notary violates a statutory AML/CFT obligation, the scale of sanctions for major offenses ranges from a written reprimand, a fine of up to EUR 50,000, suspension from office for up to one year, to debarring from office (Art. 158 (1), NO). In cases of severe, repeated, or systemic violations of provisions of the Notarial Code combating ML, TF, or non-implementation and circumvention of TFS related to PF, fines can reach EUR 1 million. Sanctions for minor offenses include cautioning on the professional

duties, admonition in writing or admonition in writing in combination with a fine of up to EUR 10,000 (Art. 158 (5), NO).

Accountants

650. For chartered public accountants, tax consultants and accountancy professionals, a person who commits an administrative offense is punishable with a fine of EUR 400 up to EUR 20,000, for violating the AML/CFT requirements set out in Art. 89–96 WTBG, Art. 98–99 WTBG, Art. 45–52a BiBuG as well as the guideline on the practice of the profession (Art. 105 WTBG; Art. 52j and 52k BiBuG).

Real estate agents, DPMS, and business consultants (i.e. company service providers)

651. A fine of up to EUR 20,000 can be applied on these DNFBPs in case of infringements of the AML/CFT provisions (Art. 366b, GewO). Monetary fines (without any fixed guidelines on their amount) can also be imposed on legal persons or registered companies for AML/CFT infringements which are committed for their benefit by any person, acting either individually or as part of an organ of the legal person or registered company, who has a leading position within the legal person (Art. 370, (1a) and (1b), GewO). An administrative offense carrying a fine of up to EUR 30,000 can be applied for failure to report a STR to the A-FIU. Finally, the permission to engage in a trade can be withdrawn in case of grave violations of the legal requirements imposed on the profession (Art. 87 (1) 3, GewO).

Criterion 35.2—

652. Sanctions apply to directors and senior managers of FIs and DNFBPs.

Financial Institutions and Their Directors and Senior Management

653. The FMA can impose fines on both natural and legal persons (please also refer to c.35.1). Fines are imposed on those natural persons authorized to represent the legal entity externally (Art. 9 (1), VStG; meaning directors). In cases where the directors have assigned their liability under administrative criminal law to another person with authorization to issue orders (Art. 9 (2) and (4), VStG; meaning a special responsible representative/senior management), the fines can be addressed to them.

654. For the range of sanctions that can be imposed on natural and legal persons, see c.35.1.

655. Furthermore, the FMA may completely or partly prohibit directors of CIs from managing the institutions pursuant to Art. 34 para. 3 no. 1 FM-GwG.

DNFBPs

656. The measures described in c.35.1 above can be applied to directors and senior management insofar as the sanction is concerning a natural person. However, as noted above, there are no sanctions available for failures to comply with AML/CFT obligations in case of chartered public accountants, tax consultants, and accountancy professionals.

657. *Weighting and conclusion*—There are no sanctions available for failures to comply with AML/CFT obligations in case of chartered public accountants, tax consultants and accountancy professionals. Recommendation 35 is rated **largely compliant**.

Recommendation 36—International Instruments¹⁶

658. Recommendation 36 was rated largely compliant in Austria 2016 MER. Deficiencies were noted with regard to the scope of self-laundering.

659. R.36 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation.

Criterion 36.1—

660. Austria has signed and ratified the following international instruments.

Table 1. Austria: Signed and Ratified International Instruments by Austria		
Title	Signature Date	Ratification Date
Vienna Convention	September 25, 1989	July 11, 1997
Palermo Convention	December 12, 2000	September 23, 2004
Terrorist Financing Convention	September 24, 2001	April 15, 2002
Mérida Convention	December 10, 2003	January 11, 2006
Vienna Convention	September 25, 1989	July 11, 1997

661. Although not required by the FATF Standards, Austria also signed the Warsaw Convention 2005 on May 16, 2005 and ratified it on July 28, 2020.

¹⁶ The UNCAC Implementation Review Mechanism (IRM), for which the UNODC serves as secretariat, is responsible for assessing the implementation of the UNCAC. The FATF assesses compliance with FATF R.36 which, in relation to the UNCAC, has a narrower scope and focus. In some cases, the findings may differ due to differences in the FATF and the IRM's respective methodologies, objectives and scope of the standards.

Criterion 36.2—

662. Austria has fully implemented the main provisions of the Vienna, Merida, and Palermo Conventions. TF criminalization is broadly in line with the TF Convention under Art. 278d and other parts of the StGB (R.5). Austria indicates that upon ratification of that instrument, its content is considered to be part of Austrian national law and therefore directly applicable to national authorities. Provisions relating to self-laundering are now fully implemented.¹⁷

663. *Weighting and conclusion*—All criteria are met. Recommendation 36 is rated **compliant**.

Recommendation 37—Mutual Legal Assistance

664. Recommendation 37 was rated largely compliant in Austria 2016 MER. Minor shortcomings were noted with regard to the scope of self-laundering.

665. R.37 is newly assessed as Austria has made legal, regulatory, or operational framework changes since its last mutual evaluation.

Criterion 37.1—

666. Austria has a legal basis that allows the provision of the widest possible range of MLA in relation to investigations, prosecutions, and related proceedings involving ML/TF and associated predicate offenses. The legal framework is comprised of a network of international treaties and Conventions, the ARHG and the EU-JZG. While the EU-JZG specifies that the execution of EIO must be executed without delay but no later than 90 days, the ARHG does not provide for measures to ensure that assistance be provided rapidly outside of the EU. This said, according to Art.9(1) StPO,¹⁸ all investigation proceedings have to be conducted expeditiously and without undue delay.

Criterion 37.2—

667. The BMJ's Department V1 is the central authority in Austria for both MLA and extradition requests.¹⁹ Incoming MLA requests can be sent directly to the competent prosecution offices for processing if an agreement is established for direct communication. If an MLA request is sent via the department or diplomatic channel, it will immediately be forwarded to the competent prosecution offices for processing. The general order to conduct criminal proceedings with expedition (Art. 9 StPO) is also valid for the area of international cooperation in criminal matters. A request that has been marked as urgent will be forwarded immediately to the competent domestic authority (public prosecutor's office or court) indicating the urgency. The BMJ monitors the

¹⁷ See c.3.7.

¹⁸ Which is applicable to measures undertaken in response to MLA requests.

¹⁹ Ministerial decree on the internal rules of procedure and distribution of competences of the BMJ.

execution of the request by setting time-limits for its execution. If a request is not executed within the defined timeframe the BMJ will send the competent domestic authority a reminder asking for the reasons of possible hindrances for the swift execution of the request. Urgent cases are monitored within shorter delays according to information provided in the request. By accessing the electronic case register, the BMJ can also monitor which steps have already been taken by the competent domestic authority and when. If necessary, reminders will be sent to the competent executing authorities. Documentation of MLA cases is set up so that timeliness of granting MLA requests is evaluated and documented. The case register at the court level also allows for the possibility to register and monitor certain steps or investigative measures when executing an incoming request.

Criterion 37.3—

668. According to Art. 51 ARHG, MLA may not be granted in the following circumstances:

- The act underlying the request is either not subject to punishment by a court under Austrian law or does not qualify for extradition (military, political, or tax offenses, or if there is reason to expect that the person concerned runs the risk, due to ethnic origins, religion, membership to a particular social group or political views, of prosecution or would have to expect other serious disadvantages for these reasons), provided that there are no applicable multilateral or bilateral treaties; or
- If the conditions for conducting specific investigative measures under Chapter 8 of the StPO were not met or if granting assistance would result into violating an obligation to secrecy principles which also exist in relation to the criminal courts. It has to be noted that these secrecy principles do not include banking secrecy as the Austrian authority has amended Art. 116 StPO which removes the previous restrictions on the access to banking information.

Criterion 37.4—

669. As a party to international instruments such as the Vienna Convention, the Palermo Convention, or the Warsaw Convention, as well as the Additional Protocol to the European Convention on MLA in Criminal Matters (ETS No.99), Austria cannot reject an MLA request on ML/TF on the sole ground that it involves fiscal matters. Art. 15(2) and Art. 51(1) para. 1 ARHG stipulate that MLA cannot be provided when the underlying offense is exclusively a fiscal offense, which means, *a contrario*, that MLA is to be provided when it relates to ML and predicate offenses as well as TF, even when a fiscal offense is involved. Financial institutions and DNFBPs cannot oppose secrecy or confidentiality, except in the case of legal privilege.

Criterion 37.5—

670. The international conventions, bilateral and multilateral agreements to which Austria is a party generally include specific clauses requiring the confidentiality of MLA requests to be maintained.

Criterion 37.6—

671. The requirement for dual criminality depends upon whether a bilateral or multilateral treaty is used, or whether the ARHG is used. On the basis of several bilateral MLA treaties (e.g. the treaties with Germany, Liechtenstein, China, the United States, the United Arab Emirates, and Switzerland), and Art. 49a of the Convention Implementing the Schengen Agreement, and the Convention on Mutual Assistance in Criminal Matters between the Member States of the EU of 2000 (applicable between the Member States of the EU). MLA has to be rendered in the absence of dual criminality. In the absence of a bilateral or multilateral agreement above, the ARHG is used, and dual criminality generally applies (as noted above in Art. 51 ARHG). However, in these cases the service of documents can be provided if the recipient is prepared to accept them. Where dual criminality is required, it is sufficient that the conduct underlying the offense is criminalized in both Austria and the requesting country. This principle is also explicitly stated in several multilateral MLA treaties to which Austria is a party.

Criterion 37.7—

672. See c.37.6

Criterion 37.8—

673. According to Art. 9(1) ARHG, unless the provisions of this federal law stipulate otherwise, the provisions of the StPO apply. Therefore, the range of domestic measures required under R.31 can be applied for international co-operation. Austria has also ratified the Protocol to the EU-MLA Convention 2001—hence all types of information foreseen there can be obtained from Austria.

674. Weighting and conclusion—All criteria are met. Recommendation 37 is rated **compliant**.

Recommendation 38—Mutual Legal Assistance: Freezing and Confiscation

675. Recommendation 38 was rated largely compliant in Austria 2016 MER. Minor shortcomings were noted in relation to the lack of systemic way of managing and disposing of seized or confiscated assets.

676. R.38 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed. This new assessment has been made against recently amended Standards, as changes for R.38 were adopted by FATF Plenary in October 2023.

Criterion 38.1—

677. Austria has a comprehensive system in place to provide MLA, including in freezing, seizing, and confiscation matters. The ARO is the sole authority with responsibility for international requests for freezing and seizing. However, there is not clear mechanism for prioritizing or ensuring expeditious action.

678. The law on MLA (ARHG) does not provide for provisions to expedite the delivery of measures in cases of emergency, but all measures provided by the Code of Criminal Procedure, including special investigative techniques, can be implemented in response to a request for cooperation for the identification, tracing or investigations of assets in view of freezing, seizing or confiscating. The ARO (R.4) facilitates the identification, tracing, seizing, and confiscation of criminal assets, even in international inquiries.

679. Within the framework of the EU, EU Regulation 2018/1805 of the European Parliament and of the Council of November 14, 2018 on the mutual recognition of freezing orders and confiscation orders provides for the mutual recognition, between EU member states, of freezing and confiscation orders resulting from proceedings in relation to a criminal offense.

It includes freezing and confiscation orders that apply to property that is held in the name of or owned by non-bona fide third parties. EU Regulation 2018/1805 does not provide for the recognition of requests for investigative measures or non-criminal seizure of assets. Whether “freezing” also extends to cover situations in which competent authorities take physical control of an asset is an issue to be determined by the law of the member state. For orders that concern criminal offenses with a maximum penalty of at least three years imprisonment, and which are also listed in Art. 3 of the Regulation (which mirrors the offenses set out in the FATF definition of “designated categories of offenses”), the order should be executed without verifying dual criminality. Otherwise, the member state can verify that dual criminality exists. Recognition and execution of freezing and confiscation orders should occur without delay.

Criterion 38.2—

680. All foreign judicial decisions can be enforced through MLA procedures under the conditions set out in ARHG sect. 50 and 64, including foreign freezing, seizing, and confiscation orders. Within the EU, EU Regulation 2018/1805 provides for the recognition and enforcement of freezing and confiscation orders that have been issued within the framework of proceedings in criminal matters. Requests for the recognition of freezing orders can be issued by a judge, a court, a public prosecutor, or another competent authority (provided this is validated by a court/public prosecutor), for confiscation orders requests can be issued by an authority which is designated as such by the issuing State and which is competent in criminal matters to execute a confiscation order issued by a court in accordance with national law. The term “proceedings in criminal matters” is not defined in EU Regulation 2018/1805, but the preamble does state that it extends to “other types of orders issued without a final conviction.” The Regulation covers orders issued without a final conviction in the framework of proceedings in criminal matters. It does not cover orders that have been made in the context of civil or administrative proceedings. The EU framework is implemented through sect. 43 (execution of freezing orders) to sect. 52 (execution of confiscation orders) of EU-JZG. It can also use the means of EIO procedures (sect. 55 EU-JZG) and a full range of assistance can be deployed to that end, using the powers of the StPO. ARHG and EU-JZG provide for the execution of foreign NCBC and related provisional measures where such

confiscations could be ordered in Austria (Art. 64 (4) ARHG). Austria allows for NCBC as part of a criminal proceeding, under sect. 20b(2a) StGB and 445 StPO.²⁰

Criterion 38.3—

681. No legal provision in ARHG requires the conduct of an investigation on the facts before executing an MLA request. Case law has determined that the provisions on extradition limiting the examination of the facts only if there are significant doubts (Art. 33 (2) ARHG) apply to any other MLA request. Under EU Regulation 2018/1805, as noted above, it is mandatory to recognize and enforce the freezing and confiscation order of another EU member state, unless the executing authority invokes one of the grounds for non-recognition and non-execution. This means that there is de facto reliance on the findings of fact in the foreign order.

Criterion 38.4—

682. Austrian courts have the authorities to issue orders on freezing, seizing, and confiscation for property located abroad. Seizures and confiscation are in any case based in Austria on court orders. Freezing is ordered by the Prosecutor, but it is a temporary measure which has to be immediately followed by a seizing order by Court. There is no specific legal provision specifically granting powers to Courts to freeze, seize, or confiscate assets located abroad but the language of Austrian laws, in particular EU-JZG makes it clear that Courts may issue orders on property rights including of assets located abroad.

683. Under EU Regulation 2018/1805, confiscation orders are only issued by a court. Freezing orders may be issued by an issuing authority, which can be a prosecutor, judge, court, or another designated competent authority, such as a LEA. In the latter case the order should be validated by a court, judge or public prosecutor before making a request for recognition and execution, which implies that another authority (prosecutor, judge or court) should have the power to validate the freezing order issued by an authority that is not a prosecutor, judge or court.

Criterion 38.5—

684. Under European Law, Art. 28 of EU Regulation 2018/1805 states that the management of frozen and confiscated property is to be governed by the laws of the requested country, and this includes the power to sell or transfer such property. Art. 28 also states that the executing state shall manage the property with a view to preventing its depreciation in value, and shall have the power to transfer or sell frozen property. Art. 29 sets out how frozen property is to be restituted to victims, while Art. 30 sets out how confiscated property is to be restituted to or used to compensate victims and also how such property is to be otherwise dealt with.

²⁰ See c.4.9 for further detail.

685. Austria does not have an asset management agency in place. Art. 9 ARHG makes the provisions of the Code of Criminal Procedure applicable to measures taken in the framework of MLA requests. Therefore, Austrian authorities may use powers described in c.4.11 (management and disposal of seized and confiscated assets) for the purpose of managing of assets seized or confiscated at the request of foreign authorities. However, as mentioned in c.4.11, there is no mechanism for the management of real estate assets except from the possibility for a Court to appoint a manager for the asset.

Criterion 38.6—

686. (a) Austria has the authority to enable informal co-operation with other countries.

687. Under European Law, Art. 25 of EU Regulation 2018/1805 and several other provisions refer to communications between the requesting and requested countries. Communication is to be between the issuing and executing authorities, also with the involvement of a central authority where appropriate. Indeed, nearly every provision of the Regulation contains a clause on communication, such as who shall inform whom of action taken or not taken, what needs to happen when an issue is encountered, etc. Art. 25 therefore basically only adds additional communication obligations to what the Regulation already provides for in each specific Article. The Regulation does not create communication mechanisms or measures (any form of communication capable of producing a written record is, in principle, acceptable), but does state that communication should occur where necessary. The Regulation does not refer specifically to communication before a formal request is made, or to cases involving a follow up request to an initial request that is not connected to the recognition or execution of that specific request.

688. Outside the EU, Austria cooperates through the CARIN, to which it is a member, and through police cooperation networks. All those networks also allow for pre-MLA assistance and for updating countries on the status of their requests.

689. (b) Under domestic law, Austria does not have legal provision allowing for the provision of supplemental-related assistance not mentioned in the original MLA request and therefore, when additional investigative measures are required, another MLA request must be issued.

690. Under EU law, however, Art. 7(1) and 18(1) of the EU Regulation 2018/1805 provide that freezing and confiscation orders shall be recognized and all necessary measures taken for their execution in the same way as for domestic orders. There is no explicit provision providing for further related assistance on an initial request, without requiring a supplemental request, but the EC considers that where the execution of a request requires further measures to be taken which would also be taken to execute a domestic order, no additional request for assistance is required for those measures. Additionally, Art. 18(5) of the Regulation provides that where the issuing authority has issued a confiscation order but has not issued a freezing order, the executing authority may, as part of the abovementioned measures decide to freeze the property concerned of its own motion.

Criterion 38.7—

691. (a) Austria has limited ability to share assets with other countries.

692. Within the EU, Art. 30 of EU Regulation 2018/1805 sets out how confiscated property should be dealt with. Unless there is victim/restitution or compensation, or there is a different agreement between the countries, then, where property other than money is concerned, the rules of paragraph 6 of Art. 30 apply. Where money is obtained as the result of the execution of a confiscation order, paragraph 7 of Art. 30 provides that:

(a) in cases of EUR 10,000 or less, the property accrues to the requested state, and

(b) if above EUR 10,000 then it is divided 50 percent to each state. There is no specific mention of cases involving coordinated LEA action.

693. As regards sharing of costs., Art. 31 provides for sharing arrangements in cases involving substantial costs. Cost sharing agreements are, however, not part of the mechanism for the disposal of confiscated assets unless, where in accordance with paragraph 7, member states decide to reach a different agreement to the rules set out in that paragraph and agree to also cover the sharing of costs in that agreement. In principle, cost sharing is a separate matter under the Regulation.

694. Outside the EU, Sect. 64 (7) ARHG provides that fines, forfeited assets, and confiscated and seized items [at the request of a foreign State} shall be only to the Austrian federal government.

695. A bilateral asset-sharing agreement was signed with the U.S. government in 2010. With other countries, Austria agrees on asset-sharing on a case-by-case basis in individual cases, based on reciprocity. The Warsaw Convention may be used as a basis to enter into asset-sharing agreements.

696. (b) Usually, Austria does not make arrangements to deduct or share substantial or extraordinary costs. ARHG provides that costs incurred in the delivery of MLA are borne by Austria, provided that reciprocity is ensured. The deduction of the costs of the execution of the measure may be provided in case-by-case agreements.

Criterion 38.8—

697. Austria has ratified and implemented the 1988 Vienna Convention, the 2000 Palermo Convention, the 2001 Terrorist Financing Convention, the 2003 Mérida Convention, and the 2005 Warsaw Convention, which contain provisions on cooperation in seizure and confiscation of assets. It is also a member of the CARIN Network.

698. Within the EU, EU Regulation 2018/1805 applies to all member states except Denmark and Ireland. All member states except Czechia, Finland, Ireland, and Luxembourg have signed and

ratified the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198).

699. Outside the EU, no arrangement at bilateral or regional (with the exception of the Warsaw Convention) levels have been signed in order to enhance AR cooperation, with the exception of the bilateral agreement with the U.S. government on asset-sharing.

700. *Weighting and conclusion*—Austria has a system in place to provide MLA in seizing, freezing, and confiscation matters. Minor deficiencies have been identified regarding mechanisms to manage, preserve, and, as needed, dispose of assets confiscated at the request of foreign authorities, the impossibility to manage confiscated real estate assets, the impossibility to provide supplemental assistance without requiring a supplemental request, the absence of asset-sharing agreements with foreign authorities outside the EU and the United States, and the absence of bilateral or multilateral agreements outside the EU to enhance AR assistance. Despite these shortcomings, Austria has a broad ability to provide assistance in asset seizing and recovery. Recommendation 38 is rated **largely compliant**.

Recommendation 39—Extradition

701. Recommendation 39 was rated compliant in Austria 2016 MER.

702. R.39 was not under review. The text is copied from MER 2016 and FURs with minor non-substantive edits.

Criterion 39.1—

703. Both ML and TF are extraditable offenses under Austrian law. Austria can also extradite a person even in the absence of a treaty on the basis of reciprocity. The general provisions on extradition are stipulated in relevant Articles under the ARHG and the EU-JZG. The existing bilateral and multilateral extradition treaties, as well as other international conventions to which Austria is a party will also apply. Within EU, the EU-JZG implements the EAW. Under the EAW, there are strict time limits (60 days) for decisions regarding extradition and few grounds for refusal. If the requesting state is a member to the Council of Europe (e.g. Russia), the extradition regime between Austria and the requesting state is governed by the European Convention of Extradition from December 13, 1957 and its second Additional Protocols of 1978. For non-EU member states there are also processes for the timely execution of extradition requests—according to Art. 29 para 6 ARHG, preventive detention prior to an extradition may only last for six months in most cases, so extradition cases need to be finalized prior to that. The electronic case register of the courts and prosecution authorities allows the BMJ, courts, and prosecutors to search a case and monitor which and when steps have been taken by the competent authority. It also allows to produce statistics and to find open cases and via an automatic query once a new case is opened to find connected cases with a view to coordinating connected cases and to avoid conflicting decisions. The legal provisions do not place unreasonable or unduly restrictive conditions on the execution of requests.

Criterion 39.2—

704. According to Art. 5 EU-JZG, Austria can extradite its own nationals to other EU member states. For non-EU countries, the ARHG does not allow Austria to extradite its nationals, but the case must be submitted without undue delay to the Prosecutor's Offices for the purpose of prosecution of the offenses set forth in the extradition request, in accordance with the provisions of the treaties to which Austria is a party. The prosecutor is bound to conduct proceedings in the same manner as in the case of any other offense under Austrian national law (Art. 2 StPO).

Criterion 39.3—

705. Where dual criminality is requirement for extradition, the requirement is deemed to be satisfied regardless of whether both countries place the offense within the same category of offense, or denominate the offense by the same terminology, provided that both countries criminalize the conduct underlying the offense. This principle is explicitly stated in several multilateral extradition treaties to which Austria is a party as well as the EU-JZG.

Criterion 39.4—

706. A simplified procedure is possible under Art. 32 ARHG when a person consents to the extradition and to being transferred without the need for the requesting state to conduct a formal extradition proceeding. In the absence of any contradictory provisions, the simplified procedure may also apply when the crime for which a person is being extradited is ML or TF. The EAW allows a simplified procedure as stipulated under Art.30 para.1 EU-JZG.

707. Weighting and conclusion—All criteria are met. Recommendation 39 is rated **compliant**.

Recommendation 40—Other Forms of International Co-operation

708. Recommendation 40 was rated largely compliant in Austria 2016 MER. Minor shortcomings were noted in relation to the lack of information from DNFBPs and their supervisors.

709. R.40 is newly assessed due to changes to the FATF Standards for which Austria has not previously been assessed.

General Principles**Criterion 40.1—**

710. Austrian competent authorities including the BMJ, BMF (tax and customs authorities), beneficial ownership registry, A-FIU, DSN, and FMA can provide a range of information to their foreign counterparts in relation to ML, predicate offenses, and TF. Information can be shared both spontaneously and upon request. There are no impediments that hinder competent authorities to deliver this assistance rapidly. Police cooperation is governed by comprehensive legislative provisions (c.40.18).

711. All DNFBP supervisory authorities except those for lawyers, notaries, and accountants have now a legal basis for providing international cooperation. Authorities indicate that in the case of accountants, such cooperation is possible in accordance with the principles of international administrative assistance. Regarding lawyers and notaries, the respective laws provide the possibility to exchange information and cooperation with “other competent authorities.” Austria indicates that it applies also to foreign authorities, but no case examples are available to support this statement.

712. No provision prohibits the spontaneous exchange of information.

713. At the EU level, Austria also cooperates in cross-border investigations and prosecutions via the European Union Agency for Criminal Justice Cooperation (Eurojust) and through cooperation in law enforcement via the European Union Agency for Law Enforcement Cooperation (Europol). Eurojust—based on EU Regulation 2018/1727—has the tasks to support and strengthen coordination and cooperation between national investigating and prosecution authorities in relation to serious crime where that crime affects two or more member states, including in relation to ML activities or terrorism (Art. 3 and Annex I EU Regulation (EU) 2018/1727). Europol provides operational and strategic support to LEAs in the EU in cross-border cases of serious crime, including preventing and combating ML and terrorism (Art. 3 and Annex I EU Regulation 2016/794).

Criterion 40.2—

714. The following framework facilitates other forms of international co-operation.

715. At the EU level, Eurojust acts by opening a coordination case in the Case Management System that is regulated by Art. 23 EU Regulation 2018/1727 and operates based on processes and data protection standards set out by law.

716. At the EU level, Europol has developed the SIENA, a state-of-the-art tool designed to enable swift, secure, and user-friendly communication and exchange of operational and strategic crime-related information and intelligence between Europol, member states, and Third Parties with which Europol has cooperation agreements/working arrangements.

717. For the exchange of information, the FIU may use the system FIU.net for the exchange with FIUs of EU member states. The system is hosted by the EC allowing EU FIUs to securely exchange and cross-match information for the analysis of potential cases of ML, associated predicate offenses, and FT.

718. For the exchange of information between financial supervisors, the European Banking Authority provides the system eGATE that facilitates the exchange of information with competent authorities in EU member states supervising credit and FIs.

719. (a) Competent authorities have a lawful basis for providing international co-operation. For the purposes of law enforcement and criminal investigations, it is regulated by Arts. 1, 3, 8, and 9 of the Police Cooperation Act (PolKG), which particularly focuses on the information exchange in the

context of international police-co-operation bodies such as Europol, Interpol, and other comparable organizations. A-FIU is a law enforcement type of FIU and therefore PolKG also regulates A-FIU's information exchange with counterpart FIUs. There are also institutionalized²¹ international co-operation and meetings among counter-terrorism police. For tax and customs, the Central Liaison Office mainly relies on a number of EU regulations and tax agreements to exchange information with other countries.²² According to Arts. 6 and 7 Reg. No. 1889/2005, the customs authorities exchange information with other competent authorities of member states. Reg 515/97 applies *mutatis mutandis*. All DNFBP supervisory authorities except the ones for lawyers, notaries, and accountants have now a legal basis for providing international cooperation. Regarding lawyers and notaries, the respective laws provide the possibility to exchange information and cooperation with "other competent authorities." Austria indicates that it applies also to foreign authorities, but no case examples are available to support this statement.

720. (b) Nothing prevents the competent authorities from using the most efficient means to co-operate.

721. (c) Competent authorities except DNFBP supervisors mostly use clear and secure gateways or have mechanisms or channels in place with respect to sensitive data, except for the limited use of the regular post by the tax authority and customs. At the EU level, Eurojust acts by opening a coordination case in the Case Management System that is regulated by Art. 23 Regulation (EU) 2018/1727 and operates based on processes and data protection standards set out by law. Apart from Interpol and Europol, the A-FIU uses specialized FIU information channels such as ESW and FIU.Net. The FIU.Net system is hosted by the EC allowing EU FIUs to securely exchange and crossmatch information for the analysis of potential cases of ML, predicate offenses, and TF. For the DSN, enciphered data will be transmitted through an established cross-border system. For the exchange of information between financial supervisors, the European Banking Authority provides the system eGATE that facilitates the exchange of information with competent authorities in EU Member States supervising credit and FIs. The FMA also exchanges information with their international counterparts through secure e-mails. The Austrian tax authority uses a secure email system (CCNmail) for the exchange of information within the EU; while with third countries, regular post is used. Customs authorities use Automated Fingerprint Identification System/Mutual Assistance Broker as secure channel but also use regular post.

722. (d) Competent authorities except DNFBP supervisors have processes for prioritizing and executing requests. Some of them have internal guidelines, procedures or instructions in relation to the handling and prioritization of requests. For the A-FIU and DSN, all incoming requests are prioritized and processed without any unreasonable delay. This is not regulated specifically by

²¹ ECB: Art 3 and 6 SSM-Regulation (Regulation (EU) Nr 1024/2013) and Art 20 et seq. SSM Framework Regulation (Regulation (EU) Nr 468/2014), EU Supervisors: Art. 21a FMABG, third countries: Art. 77 BWG, Art. 118 and 118a VAG, Art. 91 WAG.

²² EU Reg 904/2010; EU DIR 2011/16; double taxation agreements and tax information exchange agreements entered with foreign counterparts, OECD/Council of Europe Multilateral Convention.

law, but the efficiency and practicability of the public administration is one of the principles granted by the Austrian constitution. For the FMA as well as the tax and custom authorities, requests are immediately forwarded to the relevant division/team for action. As most requests include specific timeframes or deadlines, no particular prioritization is needed as requests are generally answered within the foreseen time period.

723. (e) Competent authorities except DNFBP supervisors have clear processes for safeguarding the information received. For the A-FIU, the information received is stored on the secured server of the BMI. A decree (BMI-OA1000/0242-I/2/b/2013) is in place to ensure the integrity of the systems. An internal guideline has also been developed for the A-FIU staff to harmonize/standardize the handling of STRs received via the ESW and FIU.Net channels. For the DSN, incoming information is classified as "limited," "confidential," "secret," and "top secret." The Information Security Act determines the transposition of international law with respect to the secure use of classified information, regardless of data format and data medium. The FMA has implemented various internal measures to safeguard the secrecy of supervisory information, including information received from foreign supervisors.

Criterion 40.3—

724. Competent authorities have comprehensive networks of bilateral and multilateral agreements, MoUs, and protocols to facilitate international co-operation with a wide range of foreign counterparts. For the A-FIU, bilateral or multilateral agreements or arrangements to co-operate among FIUs can be negotiated and signed by the A-FIU (section 5 of FIU Decree). There is currently no similar arrangement for TF at the DSN level, which raises a concern given the TF risks and materiality of the TF issue in Austria. The FMA is signatory to bilateral and multilateral MoUs regarding the whole range of its competencies in the supervision of the financial market (including CIs, insurance undertakings, securities, and AIFMG entities). Such agreements are negotiated when necessary for the effective supervision of the financial market. As a precondition for the exchange of information and for the co-operation as well as for the conclusion of MoUs with third country supervisory authorities, the professional secrecy regime of the third country must be equivalent with the relevant European/Austrian professional secrecy rules. Art. 18 PolKG, allows police authorities to engage into bilateral and multilateral agreements, which they have signed in a timely manner with a number of foreign countries (c.40.18). With regard to casinos, authorities report that a cooperation agreement was signed with members of the EEA, and that the agreement signed between the tax authorities of Germany and Austria also applies to casinos. No bilateral or multilateral agreement or arrangement has been negotiated with regard to cooperation between other DNFBP supervisors while these are required for the information exchange.

Criterion 40.4—

725. Competent authorities except those supervising accountants can provide feedback in a timely manner if requested by foreign counterparts from whom they have received assistance, as part of their obligation to exchange information.

Criterion 40.5—**726. Competent authorities normally do not prohibit or place unreasonable or unduly restrictive conditions on information exchange or assistance with foreign counterparts on any grounds listed in this criterion, subject to the following qualifications:**

(a) In the circumstance of a request concerning fiscal matters, the A-FIU can only provide relevant information if the fiscal matter is a predicate offense for ML or the subject requested is involved in TF activities. This inevitably limits the possibilities of co-operation with foreign counterparts for intelligence purposes where the predicate offense is not yet established and may be of special concern in the context of TF-related requests where a predicate offense does not exist at all. Supervisory authorities are not limited in their information exchange because of fiscal reasons.

(b) Most competent authorities are not restricted in their information exchange on the grounds of secrecy/confidentiality. As a rule, any financial sector supervisory information is confidential and may not be revealed to any third party (Art. 14 FMABG). Information exchange can nevertheless take place based on bilateral and multilateral cooperation agreements, but the FMA may refuse to provide information/assistance to supervisory authorities located in a country whose legislation does not provide an equivalent level of confidentiality/professional secrecy in accordance with GDPR.²³ The tax authorities exchange information with foreign authorities in accordance with the double taxation treaties (if and how agreed upon with the respective country) and other international treaties for mutual assistance, such as the OECD Convention on mutual administrative assistance in tax matters. While within the EU there is less restrictive exchange of information following the EU Regulation 904/2010 and EU Directive 2011/16. The customs authorities can exchange all information connected in the framework of Reg. No. 1889/2005 under the conditions of Arts. 6 and 7 of this Regulation. Legislation on lawyers and notaries provides that the exchange of information with other competent authorities is not possible when it is covered by statutory confidentiality, which is in line with the FATF requirements.

(c) The existence of a pending investigation, inquiry or proceedings is not a valid ground for refusal by FI and DNFBP supervisors, as expressly stated in FM-GwG, RAO, NO, and GewO. No legal provision exists in this respect regarding the tax authority as well as Customs, but authorities claim that they do not refuse assistance on this ground.

(d) Authorities cannot refuse assistance or the exchange of information on the ground that the foreign counterpart does not have the same status or nature than the domestic supervisory authority of FIs and DNFBPs as expressly stated in FM-GwG, RAO, NO, and GewO. No legal provision exists in this respect regarding the tax authority as well as Customs, but authorities claim that they do not refuse assistance on this ground.

²³ Regulation (Eu) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

Criterion 40.6—

727. Competent authorities except for DNFBP supervisors²⁴ have the necessary confidentiality safeguards in place to ensure that information received is used only for the intended purpose, and by the authorities for whom the information was sought. If the information received is to be used for other purposes, prior authorization from the requested authorities will be sought. For instance, the A-FIU may disseminate information to the competent authorities for the purpose of fighting ML or TF, especially to provide the judicial authorities the information to prepare a letter rogatory. Beyond these ends, information may be used for intelligence purposes only and must not be used as evidence in judicial procedures. Any information disseminated by the A-FIU is accompanied by a data protection clause. For the DSN, information is protected pursuant to Arts. 8 and 9 PolKG, and Arts. 1 and 11 EU Police Cooperation Act (EU-PolKG). For the FMA, Art. 21a FMABG provides for co-operation and information exchange with all competent supervisory authorities of EU Member States and with the European Supervisory Authorities. Art. 21a(2) FMABG stipulates that information may only be provided for supervisory purposes. For co-operation and information exchange with competent supervisory authorities outside Austria, information may only be provided for supervisory purposes.²⁵ For Tax/Customs, information is protected pursuant to Art.48a BAO.

Criterion 40.7—

728. Competent authorities except for DNFBP supervisors are required to maintain appropriate confidentiality for any request for co-operation and the information exchanged, consistent with data protection obligations. For the A-FIU/DSN, they protect internationally exchanged information in the same manner as domestic information. There are decrees in place to regulate the confidentiality of any information, no matter where it comes from. They will also refuse to provide information if the requesting authority cannot protect the information effectively anywhere before. For the FMA, as a general rule, any supervisory information is confidential (Art.14 FMABG) and may not be revealed to any third party. Accordingly, supervisory information received from foreign competent authorities is under the same legal protection. As a prerequisite for information exchange, a third country has to observe the same level of professional secrecy as provided for in Austrian and European legislation. In case of an information request of a third country, with which a MoU has not been concluded, an evaluation of the legal rules of co-operation and professional secrecy will take place first. If the third country has equivalent professional secrecy protections of supervisory information, the information may be disclosed to that country. There is no information on tax and customs authorities.

²⁴ There are no specific confidentiality provisions for DNFBP supervisors but art. 365y (5) GewO provides that the GDPR applies to the AML/CFT provisions of the act.

²⁵ Art. 77 BWG, Art. 118 VAG, Art. 91 WAG.

Criterion 40.8—

729. Competent authorities including the A-FIU, DSN, and FMA can conduct inquiries on behalf of their foreign counterparts and exchange all information that would be obtainable by them if such inquiries were being carried out domestically. For tax authorities/customs, the authorities indicated that this criterion is not implemented by the BAO but by international law according to Art. 2(1) *Amtshilfe-Durchführungsgesetz*. There is no legal provision in GewO, NO, and RAO allowing authorities to conduct inquiries and to exchange such information, and no feedback was provided as to other legal or other enforceable means to deal with it. Tax authorities, with regard to casinos, can provide assistance to foreign counterparts but the law does not specifically allow to conduct inquiries on their behalf as they would domestically.

Exchange of Information Between FIUs**Criterion 40.9—**

730. The A-FIU has a legal basis for providing co-operation on ML, predicate offenses, and TF (Art. 4 sec 2 para 2 BKA-G, Arts. 1, 3, 8 and 9 PolKG) (c.40.2).

Criterion 40.10—

731. The A-FIU will, upon request, provide feedback to their foreign counterparts on the use of the information provided, as well as on the outcome of the analysis conducted, based on the information provided, on the basis of the general cooperation rules set in PolKG and the Egmont Principles of Information Exchange to which the A-FIU adheres as an Egmont member.

Criterion 40.11—

732. Art. 4 (2).2 of BKA-G and Sect. 5.2 of the General Decree on the FIU grants A-FIU with all the necessary powers to provide information accessible or available directly or indirectly, as well as other information they have the power to obtain at the request of foreign counterparts, subject to the principle of reciprocity and the “for intelligence purposes only” principle.

Criterion 40.12—

733. A-FIU has the ability to take immediate action to withhold consent or suspend a transaction. Whereas, according to the General Decree on the FIU (Sect. 3.6), the power to withhold

consent or suspend a transaction is allowed only in the case where an STR has been filed, various provisions in the laws of regulated entities²⁶ grant that power without restriction to the FIU.

Exchange of information Between Financial Supervisors

Criterion 40.13—

734. The FMA has a legal basis for providing co-operation with EU and foreign competent supervisory authorities.²⁷

Criterion 40.14—

735. The FMA is able to exchange supervisory information domestically available with foreign counterparts provided that their legal provisions are of an equivalent level of confidentiality and that the information is needed for supervisory purposes (Art. 33 FM-GwG).

Criterion 40.15—

736. The FMA can exchange regulatory information and prudential information,²⁸ including AML/CFT information such as internal AML/CFT procedures and policies of FIs, CDD information, customer files, samples of accounts, and transaction information.

737. At the EU level, competent authorities supervising credit and FIs concluded an agreement on the exchange of information with the ECB acting as a prudential supervisor.

Information exchange can extend to prudential and AML/CFT information, including material weaknesses into the AML/CFT governance, systems, and controls framework.

738. For supervisors in the EU, the AML/CFT Colleges Guideline²⁹ create a common framework to support effective oversight of cross-border groups from an AML/CFT perspective and also from a more general prudential perspective. Specifically, AML/CFT colleges provide a permanent structure for cooperation and information exchange between supervisors from different member states and third countries that are responsible for the AML/CFT supervision of the same firm. The guidelines set out the rules that govern the establishment and operation of these

²⁶ In particular, Art. 52a sec. 12 BiBuG, Art. 7 sec. 8 BörseG, Art. 96 sec. 13 WTBG, Art. 365u sec. 3 GewO, Art. 36c sec. 3 NO, Art. 8c sec. 3 RAO, Art. 14 sec. 3 ESAEG, Art. 31c sec. 2 para. 1 number 1 GSpG in combination with Art. 17 sec. 4 Fm-GwG.

²⁷ ECB: Arts. 3 and 6 SSM-Regulation (Regulation (EU) Nr 1024/2013) and Art 20 et seq. SSM Framework Regulation (Regulation (EU) Nr 468/2014), EU Supervisors: Art. 21a FMABG, third countries: Art. 33 FM-GwG, Art. 294 to 299 VAG, Art. 90 WAG.)

²⁸ Art. 14 FMABG, Art. 77 BWG, Art. 91 WAG and Arts. 118 and 118a VAG.

²⁹ Joint guidelines on cooperation and information exchange for the purpose of Directive (EU) 2015/849 between competent authorities supervising credit and financial institutions, published by the European Banking Authority on December 16, 2019 (JC 2019 81).

colleges, and structure the exchange of information between AML/CFT and prudential supervisors, who will be invited to participate in AML/CFT colleges as observers. c.40.2).

Criterion 40.16—

739. According to Art. 30 para 11 FM-GwG, Austrian branches or branch establishments and subsidiaries of credit and FIs incorporated in another EU Member State or comparable third country entities may, with the consent of the FMA, be inspected by the competent authorities of their home state or persons appointed by those authorities with regard to the effective implementation of policies and procedures as defined in Art. 45 (1) of Directive (EU)

2015/849. The FMA itself or inspection bodies appointed by the FMA pursuant to Art. 30 para. 3 FM-GwG may participate in such an inspection. The procedures for inspections provided by Art. 30 paras. 4 to 8 FM-GwG shall be applied accordingly. The FMA may perform the inspection at the request of the host country's competent authority, if doing so simplifies or speeds up the procedure or if doing so is in the interests of expedience, simplicity, rapidity or cost-effectiveness.

Criterion 40.17—

740. The FMA may only pass on confidential information that it has received with the express permission of the competent authority which communicated the information in question. A legal obligation to disclose information is only relevant in the case of criminal proceedings. According to the MoUs and MMoUs to which the FMA is a signatory, the FMA will inform the counterpart who provided the information in the case of disclosure in criminal proceedings.

Exchange of Information Between Law Enforcement Authorities

Criterion 40.18—

741. Police international cooperation is governed by two comprehensive laws, the PolKG and the EU-PolKG, which address all aspects of police administrative cooperation. It is complemented by the General Federal Decree on International Security and Criminal Police Assistance which provides with practical guidelines to deliver such assistance. Authorities may render assistance upon request, or even without a request for the transmission of data when there is an obligation under international law if such data is necessary for the foreign authority or Interpol to fulfil its tasks. This assistance is limited to tasks that would be admissible would it be done domestically. Foreign counterparts may be present during the acts done to provide the assistance. There is no limitation to the type of crime for which such assistance can be provided, and it therefore extends also to ML, predicate offenses, and TF. In addition to international police cooperation to which Austria is a party, it has signed a number of bilateral agreements, including with Czechia, Croatia, Germany, Hungary, Italy, Liechtenstein, Slovakia, Slovenia, Switzerland, and Ukraine.

742. At the EU level, a number of systems and databases can be used by the competent authorities of Austria to access data in line with the established access right:

- Schengen Information System, used to enter and consult alerts on wanted or missing persons and objects.
- Entry/Exit system, used to record entry and exit of third-country nationals crossing the borders of the Schengen Area. The System will also record refusals of entry.
- (Current) Eurodac, a database of fingerprints of asylum applicants registered in the EU and third-country nationals who crossed an external border illegally. (New) Eurodac, a database containing biometric, identity and travel document data of asylum seekers, irregular migrants and third-country nationals participating in a resettlement scheme.
- European Travel Information and Authorization System (ETIAS) will process the data of the visa-exempt third-country nationals applying for an ETIAS travel authorization to enter the Schengen area and Cyprus for a short stay.
- European Criminal Records Information System, used to exchange information on criminal convictions.
- Data on DNA profiles, dactyloscopic data, certain vehicle registration data, facial images and police records in line with EU Regulation 2024/982 (Prüm II Regulation).

743. These data accesses on a cross-border basis complement exchanges of information with individual LEAs in EU member states and in other EU cooperation fora.

Criterion 40.19—

744. (a) PolKG and EU-PolKG provide for all types of police cooperation matters, including to identify and trace criminal property and property of corresponding value, and to provide support in freezing, seizing, and confiscating such assets. The General Federal Decree ARO Guidelines (2015) provide some details on how police cooperation operates in this respect through the ARO, which is a police unit. Art. 5.1.1 of that General Decree stipulates that international investigations into suspected foreign assets are handled exclusively by ARO, which uses PolKG powers to provide assistance. Customs authorities may exchange information at domestic level on the basis of para. 120 FinstrG, art. 22 B-VG. At EU level, the exchange of information is governed by EC Regulation 515/97. Authorities did not provide information on the legal basis on which Customs may exchange information outside the EU. Regarding Customs, authorities report that such exchange of information is based on the agreements signed between the EU and third countries. There are more than 100 such agreements. The exchange of information is also possible on the basis of other legislation enforced by Customs.

745. (b) Law enforcement officers are obliged by law (Art. 2 StPO) to open an investigation in all cases where there is a suspicion that a crime has been committed, independently of the source of information. This extends to information obtained through police cooperation.

Criterion 40.20—

746. (a) Art. 3 of PolKG and Art. 1 of EU-PolKG require law enforcement officers to, spontaneously or upon request, share information with foreign counterparts, provided that this information is necessary for the fulfilment of their duties. This extends to information relating to criminal property and property of corresponding value.

747. (b) When they suspect that property is of criminal origin, law enforcement officers have the obligation to open an investigation (c.40.19), even when the information comes from a foreign source. This applies to information received that property and property of equivalent value subject to a foreign investigation is located in Austria.

Criterion 40.21—

748. Art. 5 of PolKG allows LEAs to use all their administrative powers to conduct inquiries at the request of foreign counterparts. Collection of data must be made within the limits of the administrative powers detailed in art. 5 (3) PolKG. All investigative techniques requiring the use of coercive powers or powers under the Code of Criminal Procedure, or aimed at collecting evidence, can be delivered through formal MLA requests, or, within the EU, EIO, as international MLA standards require.

749. All mechanisms and arrangements to which Austria is a party, including Interpol, Europol, Frontex, Schengen Information System, etc., form the framework under which police cooperation is delivered, including with regard to restrictions on use.

750. PolKG and EU-PolKG, which refer to these instruments, contain provisions³⁰ implementing those arrangements on the use of the information received or collected.

Criterion 40.22—

751. LEAs are authorized by law (Arts. 76a and 76b, ARHG) to form JIT for domestic investigations involving one or several States, or to participate in foreign JIT. Authorities may conclude intergovernmental agreements, including for the purpose of “the intervention of the security authorities abroad or by foreign security authorities in the federal territory” (Art. 18 PolKG).

³⁰ Art. 9.9 PolKG and 6.6, 31 EU-PolKG

Criterion 40.23—

752. (a) At the EU level, cooperation frameworks are designed to facilitate and enhance cooperation in cross-border investigations, such as the Anti-Money Laundering Operational Network and the CARIN hosted by Europol. Austria is a member of Europol, Interpol, and Eurojust.

753. (b) The Austrian ARO is a member of the EU ARO Platform which was set up to facilitate the rapid tracing and identification of proceeds of crime which may become the subject of a freezing, seizure or confiscation order. Austria is also a founding member of the CARIN network hosted by Europol.

Exchange of Information Between Non-Counterparts**Criterion 40.24—**

754. A-FIU may exchange information with foreign non-counterparts (Sect. 5.1 General Decree on the FIU) provided that the foreign FIU agrees to pass on the information to the requesting service, and subject to the respect of restrictions on the use of information.

Procedures relating to domestic cooperation under Sect. 4 applies for the execution of such requests. The request must be therefore related to the fight against ML or predicate offenses and TF, and the requesting service must send a motivated request.

755. *Weighting and conclusion*—Austria's legal framework allows for extensive administrative and other types of cooperation with foreign authorities. However, some minor deficiencies have been identified with regard to powers of cooperation of some DNFBP supervisors, the absence of cooperation agreements in the field of TF, and safeguards on the use of information and confidentiality safeguards. Recommendation 40 is rated **largely compliant**.

Annex II. Technical Compliance Shortcomings

The Recommendations presented in green have been subject to a full assessment, reflecting either amendments to the FATF Standards or substantive changes made by the country to its legal, regulatory, or operational frameworks since its last mutual evaluation. The remaining Recommendations are based on pre-existing information from the country's most recent assessments and have not been reassessed in this review.

Recommendation	Rating	Factor(s) underlying the rating
1) Assessing risks & applying a risk-based approach	Largely compliant	- The requirements for lawyers, notaries, and accountants to have policies, controls, and procedures to manage and mitigate identified risks do not contain an obligation to have these approved by senior management. - There is no requirement for accountants to monitor the implementation of controls and to enhance them if necessary. - There are no requirements for accountants regarding elements (a) to (e) set out in c.1.15 (PF risk assessment and mitigation).
2) National cooperation and coordination	Largely compliant	It is unclear whether and how coordination and cooperation is taking place to ensure compatibility of AML/CFT/CPF requirement with data protection and privacy rules.
3) Money laundering offense	Largely compliant	The range of ML predicate offenses covered within tax crimes does not appear sufficient.
4) Confiscation and provisional measures	Largely compliant	- Resources allocated by Austria to its asset recovery regime need increasing, as identified in its 2023 AML/CFT Strategy and action plan. - NCBC legal provisions have been enacted since 2021, but there are no guidelines to assist prosecutors navigating through different conditions and mechanisms.

		• There are also limitations concerning the confiscation of property of corresponding value transferred gratuitously to third parties.
5) Terrorist financing offense	Compliant	
6) Targeted financial sanctions related to terrorism and terrorist financing	Largely compliant	• The requirement to report to competent authorities any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSCRs does not specifically extend to attempted transactions, nor does it apply to VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs. • The communication mechanisms in place to inform insurance intermediaries and DNFBPs of designations and de-listings do not ensure immediate transmission of the information. • At the national level, there are no publicly known procedures to unfreeze the funds or other assets of persons or entities with the same or similar name as designated persons or entities, who are inadvertently affected by a freezing mechanism (i.e. a false positive), upon verification that the person or entity involved is not a designated person or entity.
7) Targeted financial sanctions related to proliferation	Largely compliant	• The requirement to report to competent authorities any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSCRs does not specifically extend to attempted transactions, nor does it apply to VASPs, insurance intermediaries, ISPs, asset managers, and DNFBPs. • The communication mechanisms in place to inform insurance intermediaries and DNFBPs of designations and de-listings do not ensure immediate transmission of the information. • While there is a designated TFS supervisor for VASPs, insurance intermediaries, ISPs, asset managers and DNFBPs, these OEs are not being monitored to ensure their compliance with the relevant laws or

		enforceable means governing the obligations under R.7.
8) Non-profit organizations	Compliant	
9) Financial institutions secrecy laws	Compliant	
10) Customer due diligence	Largely compliant	• Requirements on the verification of legal arrangements have not been implemented, and the information regarding legal persons is limited. • The requirements under c.10.13 have not been implemented. • Simplified measures do not need to be commensurate with the lower risk factors. • The requirement not to execute a transaction or to terminate the relationship where the FI is unable to comply with relevant CDD measures does not apply to ongoing due diligence measures.
11) Record-keeping	Largely compliant	• FIs are required to guarantee complete and swift provision of information in somewhat more limited circumstances than required under c.11.4.
12) Politically exposed persons	Compliant	
13) Correspondent banking	Largely compliant	• Measures apply to the correspondent banks in the EEA area, and beyond those countries, only subject to their assessment as high risk, which is more restrictive than the FATF Standard.
14) Money or value transfer services	Largely compliant	• Actions to identify unauthorized MVTs and apply appropriate sanctions were not established.
15) New technologies	Largely compliant	• Lack of an explicit obligation on insurance intermediaries to conduct the risk assessment of new products, practices, and technologies prior to their launch or use.

		• TFS communication mechanisms, reporting obligations, and monitoring referred to in Rs.6 and 7 are not applicable to VASP. • Minor restrictions on MLA related to the rapid provision of such assistance.
16) Wire transfers	Largely compliant	• Transactions equal to EUR 1,000 are not included under c.16.1. • For wire transfers equaling EUR 1,000, the beneficiary's FI is not required to verify the accuracy of the information unless it suspects ML/TF, or the funds are transferred in the form of cash or anonymous electronic money. • Lack of an explicit obligation for payment service providers to file an STR in all countries concerned by a suspicious wire transfer.
17) Reliance on third parties	Largely compliant	• The element "without delay" is not implemented for FIs. • Reliance on third parties from EU member states is not based on an assessment of the level of country risk but reflects the assumption that all EU member states apply effective AML/CFT controls.
18) Internal controls and foreign branches and subsidiaries	Compliant	
19) Higher-risk countries	Largely compliant	• Insurance intermediaries are not required to apply EDD measures to business relationships and transactions with persons from EU member states for which this is called for by the FATF.
20) Reporting of suspicious transactions	Compliant	
21) Tipping-off and confidentiality	Compliant	
22) DNFBPs: customer due diligence	Largely compliant	• Shortcomings in CDD measures by real estate agents for rental transactions and by business consultants when providing services to natural persons.

		• Lack of a requirement for public accountants and tax advisors to have risk-based procedures to determine whether a client or a beneficial owner of a client is a PEP. • For tradespersons and accountants, shortcomings raised under R.17 are also applicable. • Lack of an explicit obligation for DNFBPs, except for casinos, to undertake a risk assessment prior to the launch or use of new products, practices, and technologies.
23) DNFBPs: other measures	Partially compliant	• Lack of a specific requirement for partnerships or companies of lawyers and notaries to appoint a compliance officer. • Lack of a specific requirement for lawyers, notaries, and accountants to have an independent audit function. • Requirements for tradespersons, public accountants, and tax advisors to comply with higher-risk countries requirements, as set out in R.19, are only applicable to non-EU countries.
24) Transparency and beneficial ownership of legal persons	Largely compliant	• Associations are not required to maintain a list of their members. • The requirement for LPs to retain copies of the documents and information used for the identification and verification of their beneficial owners is limited to at least five years after a natural person ceased to be beneficial owner, instead of at least five years after the date on which the company is dissolved or otherwise ceases to exist. • At the time of the onsite visit and except for the information on Treuhand arrangements, the obligation to report information on nominees, which are legal or natural persons, to a public authority in line with mechanism a) of c.24.13 was enacted but not yet in force.

		Administrative fines for associations which benefit from large sums of donations are not dissuasive and there are no sanctions in place for violation of the Federal Foundation and Fund Act.
25) Transparency and beneficial ownership of legal arrangements	Largely compliant	Trustees or persons holding an equivalent position are required to maintain the information referred to in c.25.4 for at least five years after the beneficial ownership of the natural person ended, but not five years after the trustee's involvement with the relevant foreign trust or similar legal arrangement ceases, as required by c.25.5.
26) Regulation and supervision of financial institutions	Compliant	
27) Powers of supervisors	Compliant	
28) Regulation and supervision of DNFBPs	Largely compliant	Lack of measures for public accountants, tax advisors, and accountancy professionals for preventing associates of criminals from being professionally accredited, holding or beneficially owning a significant or controlling interest, or holding a management function in an accountancy firm.
29) Financial intelligence units	Largely compliant	The A-FIU lacks autonomy over budgetary decisions and it is unclear if it has operational independence for hiring staff (c.29.7).
30) Responsibilities of law enforcement and investigative authorities	Compliant	
31) Powers of law enforcement and investigative authorities	Largely compliant	Austria does not have a legal basis of interception of real-time encrypted communications (see c.31.2).
32) Cash couriers	Largely compliant	- The sanctions for non or false declarations/disclosures are not proportionate or dissuasive. - There are no provisions to request and further obtain information from the carrier with regard to the origin of the currency or BNIs and their intended use.

		The framework for exchange of information with third countries is unclear.
33) Statistics	Largely compliant	There are no statistics on assets frozen and statistics on MLA, extradition, and A-FIU's international cooperation are not comprehensive to establish the effectiveness and efficiency of formal international cooperation.
34) Guidance and feedback	Compliant	
35) Sanctions	Largely compliant	Lack of sanctions for chartered public accountants, tax consultants, and accountancy professionals for failures to comply with AML/CFT obligations.
36) International instruments	Compliant	
37) Mutual legal assistance	Compliant	
38) Mutual legal assistance: freezing and confiscation	Largely compliant	- Minor deficiencies have been identified regarding mechanisms to manage, preserve, and, as needed, dispose of assets confiscated at the request of foreign authorities, - Impossibility to manage confiscated real estate assets, - Impossibility to provide supplemental assistance without requiring a supplemental request, - Absence of asset-sharing agreements with foreign authorities outside the EU and the United States, and the absence of bilateral or multilateral agreements outside the EU to enhance AR assistance.
39) Extradition	Compliant	
40) Other forms of international cooperation	Largely compliant	- There are no cooperation agreements in place for the exchange of TF-related information. - The supervisory authority for accountants cannot provide feedback in a timely manner if so requested by its foreign counterparts.

		• Competent authorities except for DNFBP supervisors do not have the necessary confidentiality safeguards in place to ensure that information received is used only for the intended purpose, and by the authorities for whom the information was sought. • There are no legal provisions requiring DNFBP supervisors to maintain appropriate confidentiality for any request for co-operation and the information exchanged, consistent with data protection obligations. • There are no legal provisions or enforceable means allowing DNFBP supervisors to conduct inquiries on behalf of their foreign counterparts and to exchange such information with their counterparts.
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