

# Policy Brief



Neapolis University Pafos, Cyprus  
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*From Assessment to Action:*

*The FATF National Risk Assessment Toolkit*

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# *From Assessment to Action:*

## *The FATF National Risk Assessment Toolkit*

### **Executive Summary**

*The FATF 2025 Money Laundering National Risk Assessment (NRA) Toolkit provides updated, practical guidance for countries to identify, assess, and understand their money laundering risks more effectively. Building on previous editions (2013, 2021), the Toolkit reflects a decade of global experience in implementing risk-based approaches and incorporates lessons learned from mutual evaluations, country case studies, and emerging technologies. It aims to make the NRA process more systematic, data-driven, and proportionate, while accommodating diverse legal and institutional contexts.*

*The 2025 Toolkit introduces modular ‘Quick Guides’ on key thematic areas — corruption, virtual assets and service providers (VAs/VASPs), legal persons and arrangements, and the informal economy — to help jurisdictions tailor their analyses to evolving risks. It also integrates cross-cutting guidance on data reliability, stakeholder engagement, and inter-agency collaboration, reinforcing the FATF’s strategic priority of ensuring that risk understanding drives risk mitigation.*

*By emphasising flexibility, contextualisation, and iterative review, the Toolkit represents an important shift from one-time assessments to continuous risk management, linking NRA findings directly to the design and prioritisation of national AML/CFT strategies.*

### **Keywords**

*FATF, National Risk Assessment, AML/CFT, Corruption, Virtual Assets, Legal Persons, Informal Economy, Data Analysis, Risk-Based Approach, Financial Intelligence, Proportionality.*

## Background

Since 2013, the FATF has promoted National Risk Assessments (NRAs) as a cornerstone of effective AML/CFT systems. NRAs enable countries to identify key sources and channels of money laundering, assess their vulnerabilities, and align policy and resource allocation with the identified risks. The 2025 Toolkit updates previous guidance to reflect lessons from FATF's mutual evaluation rounds and country experiences, aiming to make NRAs more pragmatic and outcome-focused.

Developed jointly with FATF-style regional bodies (FSRBs), the new Toolkit introduces a common structure adaptable to different national contexts, levels of data availability, and institutional capacity. It includes detailed methodological instructions, sample templates, and country examples to enhance usability for practitioners. Importantly, it recognises that national authorities must not only conduct NRAs but also integrate their results into the design of AML/CFT strategies, supervision models, and policy priorities.

## Key Features and Methodological Innovations

**1. Integrated and Modular Design:** The Toolkit's modular structure allows countries to apply thematic 'Quick Guides' that complement the general NRA process. This enables flexibility to address specific risk areas such as corruption, virtual assets, or the informal economy without duplicating effort.

**2. Data Quality and Validation:** A central innovation is the emphasis on evidence-based assessment and data reliability. The Toolkit advises authorities to use both quantitative indicators and qualitative expert judgment, triangulating multiple data sources to overcome information gaps.

**3. Contextualisation and Proportionality:** The FATF underscores that risk assessment should be proportionate to a country's size, economy, and exposure to illicit finance. Smaller jurisdictions may rely more on expert assessments, while larger economies are expected to use detailed datasets and sectoral breakdowns.

**4. Continuous Review and Feedback:** Rather than treating the NRA as a one-off exercise, the Toolkit promotes periodic updates and real-time monitoring of emerging threats. Feedback loops ensure that identified risks directly inform the allocation of supervisory and investigative resources.

## **Thematic Areas:**

The Toolkit provides four thematic ‘Quick Guides’ that help jurisdictions explore specific risk dimensions more deeply:

**Corruption:** The Toolkit highlights corruption as a key enabler of money laundering. It provides indicators to assess sectors vulnerable to bribery, abuse of public office, and politically exposed persons (PEPs). Jurisdictions are encouraged to link their NRA findings with anti-corruption strategies and integrity frameworks.

**Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs):** This Quick Guide supports the evaluation of risks related to new technologies. It provides case examples of how VAs and VASPs can be exploited for layering and transfer of illicit proceeds, stressing the need for registration, supervision, and international information sharing.

**Legal Persons and Arrangements:** The Toolkit offers a framework for assessing risks stemming from opaque corporate structures, trusts, and nominee arrangements. It recommends integrating beneficial ownership data into NRA analyses and using cross-border information to detect misuse of legal vehicles.

**Informal Economy:** This Guide assists countries in analysing risks related to unregulated economic sectors, cash-based transactions, and informal value transfer systems. It calls for data triangulation between tax, customs, and financial intelligence sources, and for outreach to informal sector stakeholders.

## **Cross-Cutting Challenges**

The FATF acknowledges that conducting a robust NRA requires access to reliable, comparable, and timely data — a challenge that persists for many jurisdictions. Common obstacles include limited inter-agency data sharing, reliance on perception-based indexes, and insufficient coverage of emerging risks such as crypto-assets or environmental crime. The Toolkit advises countries to build national data inventories, use proxy indicators, and adopt structured scoring models to minimise bias.

Another key challenge lies in translating NRA results into targeted actions. The Toolkit encourages countries to create formal mechanisms that ensure risk findings guide supervision priorities, policy formulation, and the allocation of AML/CFT resources.

## Case Studies and Emerging Practices

The Toolkit draws on case studies to illustrate effective national approaches:

France developed sectoral NRAs to assess vulnerabilities in real estate, legal professionals, and digital assets, ensuring regular updates aligned with mutual evaluation timelines.

The Gambia and South Africa used simplified templates and regional peer reviews to strengthen ownership of the NRA process.

Luxembourg integrated its NRA results into a national AML/CFT action plan, linking identified risks to measurable mitigation outcomes.

Egypt enhanced inter-agency collaboration by establishing a standing committee to monitor risk indicators and validate data sources.

These examples demonstrate that success depends not only on technical tools but also on sustained institutional coordination and transparency.

## Implications for Policymakers and Practitioners

The FATF 2025 NRA Toolkit positions risk assessment as an ongoing governance function, not merely a technical requirement. For policymakers, it provides a roadmap to integrate risk understanding into strategic decision-making. For practitioners, it offers operational tools to collect, analyse, and validate data across sectors.

Authorities are encouraged to:

Embed NRA results into national AML/CFT strategies and supervisory plans;

Strengthen inter-agency cooperation and data-sharing frameworks;

Use the Toolkit to train stakeholders and align sectoral assessments with national priorities;

Report progress transparently to enhance accountability and international confidence.

## **Concluding Remarks**

The 2025 FATF Money Laundering National Risk Assessment Toolkit marks a pivotal evolution in how countries conceptualise and operationalise risk. By combining methodological rigor with flexibility, it helps jurisdictions of all sizes build dynamic, evidence-based AML/CFT frameworks. The integration of thematic Quick Guides ensures that complex issues such as corruption, virtual assets, legal structures, and informal economies are systematically examined rather than treated as residual risks.

Ultimately, the Toolkit reinforces the FATF's broader vision: that a clear understanding of risk is the foundation of effective policy, supervision, and enforcement. Through continuous assessment, collaboration, and innovation, countries can better protect their financial systems from abuse and contribute to a more transparent global economy.

## **Further Reading**

- FATF (2025), Money Laundering National Risk Assessment Toolkit ([link](#))