



2008
2009

Financial Action Task Force
Annual Report



THE FINANCIAL ACTION TASK FORCE (FATF)

The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering and terrorist financing. Recommendations issued by the FATF define criminal justice and regulatory measures that should be implemented to counter this problem. These Recommendations also include international co-operation and preventive measures to be taken by financial institutions and others such as casinos, real estate dealers, lawyers and accountants. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

For more information about the FATF, please visit the website:

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FOREWORD BY THE PRESIDENT

I am pleased to introduce the 20th Annual Report of the Financial Action Task Force (FATF) which outlines the progress that has been made in combating money laundering and terrorist financing during the Presidency of Brazil.

The past year has been a tumultuous one. We were faced with a global financial and economic crisis that has had a significant impact on economies and societies throughout the world. A number of international bodies are working on issues directly relevant to the economic crisis. The FATF is no exception, as there is a risk that this crisis has made certain financial systems more vulnerable to money laundering and terrorist financing threats. In February 2009, the FATF informed the G20 WG2 co-chairs of its initiative to examine the impact of the crisis on the anti-money laundering / counter-terrorist financing (AML/CFT) efforts and that work is underway.

One of my key objectives was to focus on enhanced co-operation with non-FATF jurisdictions that are committed to the fight against money laundering and terrorist financing. The fight against money laundering and terrorist financing requires a global effort, which extends beyond the members of the FATF. Our co-operation with the FATF-Style Regional Bodies (FSRBs) is essential to ensure a consistent application of recognised international standards. I have had the pleasure to attend meetings of most of the FSRBs, and this has reinforced my view of the importance of the FSRBs in achieving global implementation of our standards. In particular, I have been impressed with the commitment and efforts made by countries with limited resources.

The FATF recognises the essential input provided by the private sector, to ensure that our efforts reflect the reality of today's challenges. Financial institutions, and the private sector more broadly, regularly provide input into many FATF projects. This year, this has resulted in a series of Guidance Papers on the Risk-based Approach to AML/CFT for various sectors of the economy. FATF is committed to an enhanced dialogue with the private sector and will continue to seek its input on a variety of issues.

The third round of evaluations of compliance with the FATF standards is nearing its end and preparations have begun for the fourth round. This will include a particular focus on the effectiveness of AML/CFT systems, earlier detection of threats or vulnerabilities within jurisdictions and other measures to strengthen the system.

The threats posed by jurisdictions which fail to implement measures to strengthen their AML/CFT systems continues to be a prime concern of the FATF. The FATF issued statements during 2008 and 2009 for increased vigilance by financial institutions when dealing with certain jurisdictions. This emphasis on international co-operation will continue.

I have truly enjoyed my year as President of the FATF. It has been a rewarding experience to be involved in this global network which shares the important common goal of effectively combatting money laundering and terrorist financing. I will remain involved in FATF related issues in my government and look forward to working with my successor Paul Vlaanderen, with whom I have had the pleasure of working during my Presidency. I have been impressed with his knowledge and experience and am confident that under his leadership the FATF will be able to respond to the many new challenges ahead.

Antonio Gustavo Rodrigues



“ I have been impressed with the commitment and efforts made by countries with limited resources.”

About the FATF

In response to mounting concern over money laundering, the Financial Action Task Force (FATF) was established in 1989. The Task Force was given the responsibility of examining money laundering techniques and trends, reviewing the action which had already been taken at a national or international level, and setting out the measures that still needed to be taken to combat money laundering.

In order to effectively combat money laundering, the FATF has developed the original Forty Recommendations on Money Laundering. These recommendations were published in 1990 and were the FATF's first set of international money laundering standards. As money laundering methods, techniques and trends evolved, the Recommendations were revised in 1996. In October 2001, the FATF Mandate was expanded to include terrorist financing, and the FATF established Eight Special Recommendations to address this issue.

The FATF standards were again revised in June 2003, to take into account the continued evolution of money laundering techniques. In October 2004, the FATF published a ninth Special Recommendation, further strengthening the agreed international standards for combating money laundering and terrorist financing: the 40+9 Recommendations.

The FATF standards are internationally recognised and implemented. They have so far been endorsed by more than 180 jurisdictions around the world, as well as by the Boards of the International Monetary Fund (IMF) and the World Bank (WB).

The FATF currently comprises 32 member jurisdictions and 2 regional organisations, representing most major financial centres in all parts of the globe (see Table 1). Additionally, the Republic of Korea and India became observers on 27 July 2006 and 27 November 2006 respectively, and both are currently working towards becoming FATF members. The FATF members and the two prospective members bring a wide range of expertise to the work of the FATF, with delegations comprising experts in financial, regulatory, legal and law enforcement matters. Together, the members of the Task Force work together to generate the necessary will to bring about national, legislative and regulatory reforms which will help combat money laundering and terrorist financing. All decisions of the FATF are taken by its 34 members, by consensus.

The FATF has developed strong partnerships with international and regional organisations that are involved in combating money laundering and terrorist financing in order to build a global AML/CFT¹ network. The primary FATF partners are the eight FATF-style regional bodies (FSRBs), which play important leadership roles and are the focal points for implementation. The FSRBs bring together, on a regional basis, jurisdictions that have committed to implementing the 40+9 Recommendations and have agreed to undergo mutual evaluations of their AML/CFT systems.

Mandate of the FATF

The current mandate of the FATF (2004-2012) was subject to a mid-term review and then was revised and approved at a Ministerial meeting in Washington DC in April 2008. The four key objectives of this mandate (see Annex 1) are to:

- Revise and clarify the global standards and measures for combating money laundering and terrorist financing.
- Promote global implementation of the standards.
- Identify and respond to new money laundering and terrorist financing threats.
- Engage with stakeholders and partners throughout the world.

¹ Anti-money laundering and combating the financing of terrorism.

Table 1: FATF Members, Observers, Associate Members and FATF Style Regional Bodies

Members:			
■ Argentina	■ France	■ Luxembourg	■ Singapore
■ Australia	■ Germany	■ Mexico	■ South Africa
■ Austria	■ Greece	■ Kingdom of the Netherlands	■ Spain
■ Belgium	■ Gulf Co-operation Council	■ New Zealand	■ Sweden
■ Brazil	■ Hong Kong, China	■ Norway	■ Switzerland
■ Canada	■ Iceland	■ People's Republic of China	■ Turkey
■ Denmark	■ Ireland	■ Portugal	■ United Kingdom
■ European Commission	■ Italy	■ The Russian Federation	■ United States
■ Finland	■ Japan		
Observer members:			
■ Republic of Korea	■ India		
FATF Style Regional Bodies:			Associate Members
■ Asia/Pacific Group on Money Laundering (APG)			✓
■ Caribbean Financial Action Task Force (CFATF)			✓
■ Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)			✓
■ Financial Action Task Force on Money Laundering in South America (GAFISUD) ²			✓
■ Middle East and North Africa Financial Action Task Force (MENAFATF)			✓
■ Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG)			
■ Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)			
■ Intergovernmental Action Group against Money-Laundering in Africa (GIABA) ³			

The FATF works closely with each of the FSRBs and has a productive working relationship with the Offshore Group of Banking Supervisors (OGBS). There are also 21 observer organisations involved in the work of the FATF, notably including the International Monetary Fund (IMF), the World Bank, the United Nations (UN) and the Egmont Group of Financial Intelligence Units.

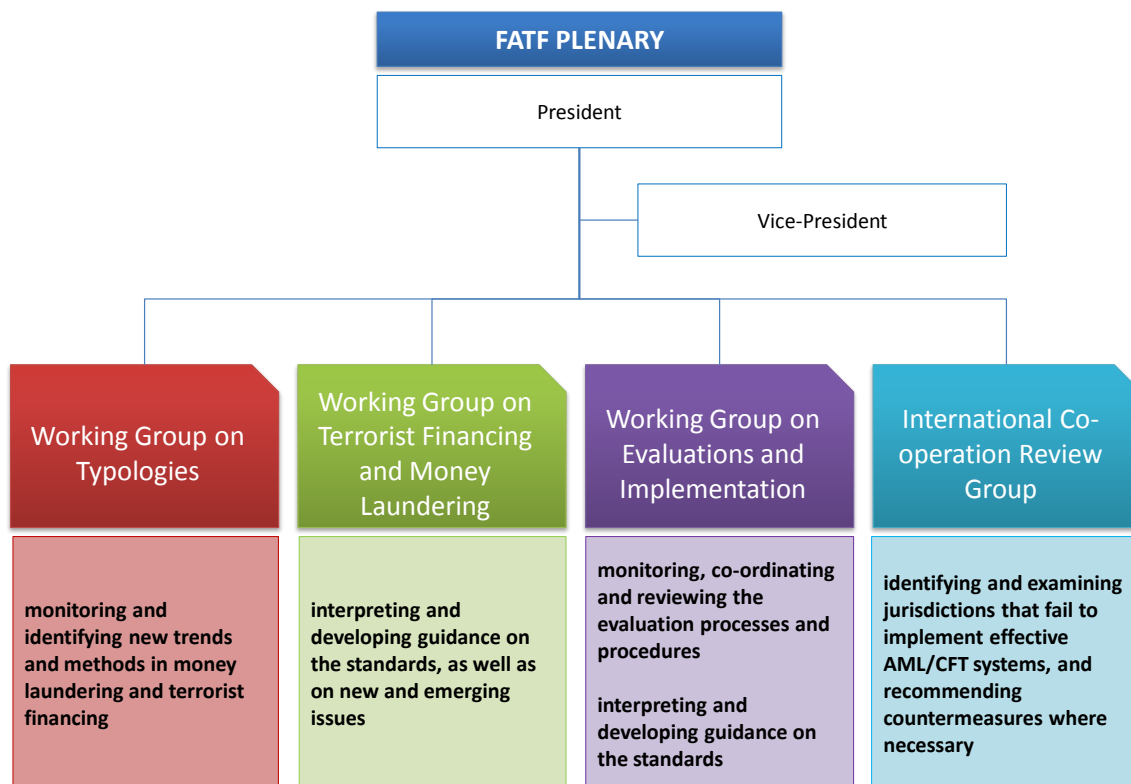
Most of the FATF's work is carried out by government officials and the FATF Secretariat, but there is frequent and increasing involvement of private sector representatives. Their input is essential for successful

² *Grupo de Acción Financiera de Sudamérica* in Spanish

³ *Groupe Inter-gouvernemental d'Action Contre le Blanchiment en Afrique* in French.

implementation of the AML/CFT standards, and it also allows the FATF to keep up to date on the financial industry environment.

The FATF Plenary is supported by a secretariat and chaired by the FATF President who is appointed by the FATF Plenary for a one-year term. The FATF Secretariat is located in Paris (France)⁴.



The FATF has four working groups which work on specific tasks from the identification of new threats to the evaluation of the implementation of AML/CFT systems. The Plenary is the only decision making body of the FATF and oversees the work of the four working groups. Each of the working groups can set up project teams or other types of sub-groups to examine relevant topics in detail and to support the efforts of the working group. In 2008-2009, for example, the working groups focused on the following issues:

Working Group on Typologies

- Casinos
- Global threat assessment
- Securities
- Money service businesses
- Free trade zones
- Football sector

Working Group on Terrorist Financing and Money Laundering

- Cash couriers
- Proliferation financing
- Confiscation
- Wire transfers
- Freezing terrorist assets

⁴ The FATF is housed at the Organisation for Economic Co-operation and Development (OECD) Headquarters in Paris (France) but is independent from the OECD.

Working Group on Evaluations and Implementation

- Risk Based Approach (RBA) Guidance for Casinos
- RBA Guidance for Lawyers
- RBA Guidance for Money Service Business sector
- Joint work with the industry on R.⁵ 9 (third party reliance)
- Interpretation of R. 1 (definition of conspiracy)
- Interpretation of SR II⁶
- Preparation for the 4th Round of Mutual Evaluations

International Co-operation Review Group

- Public statements with regard to high-risk jurisdictions
- Revised ICRG procedures
- Applying appropriate counter-measures
- Identifying a pool of jurisdictions for initial ICRG review

⁵ Recommendation

⁶ Special Recommendation II

SETTING INTERNATIONAL AML/CFT STANDARDS

Revising and clarifying the global standards and measures for combating money laundering and terrorist financing.

FATF Standards

The 40+9 FATF Recommendations provide a comprehensive set of policies and measures against money laundering and terrorist financing. As indicated before, the original 40 Recommendations were developed in 1990 and were revised in 1996 and then again in 2003 to take into account the changes in money laundering trends and threats. The additional Special Recommendations were added in 2001 and 2004 to cover the issue of terrorist financing.

These Recommendations, together with their interpretative notes, provide the international standards for combating money laundering (ML) and terrorist financing (TF).



Text of the 40+9 Recommendations available on www.fatf-gafi.org/standards

Guidance

In order to remain effective, the Recommendations, Interpretative Notes and Methodology (see Box 1) are continuously reviewed and, when necessary, revised.

Based upon issues that have arisen from typologies work, mutual evaluations or dialogue with members, and where appropriate, the FATF develops interpretation or guidance to the FATF standards or changes to the AML/CFT Methodology.

The FATF has an inclusive approach to the setting and implementation of the FATF standards and is closely engaged in dialogue with its members, FSRBs, international financial institutions (IFIs), other observer organisations and the private sector.

This year, as a result of this dialogue and analysis, the FATF Plenary approved a revision of the text of the Methodology criteria on Special Recommendation IX (SR IX – Cash Couriers) to address issues relating to the internal borders of a supranational jurisdiction, such as the European Union (EU).

In October 2008, the FATF finalised and published Risk-Based Approach (RBA) Guidance for: (1) Legal Professionals and (2) Casinos. Similar guidance for the Money Service Business sector was published in June 2009. For more information about the RBA Guidance, please see page 21.

In October 2008, the FATF finalised and published guidance on the implementation of financial provisions of United Nations Security Council Resolution 1803 (UNSCR 1803⁷). The guidance provides background information and definitions, as well as a description of vigilance and actions to be considered when dealing with Iranian financial institutions and their branches and subsidiaries abroad. The purpose of such increased vigilance is to

⁷ See www.un.org/Docs/sc/unscreolutions08.htm for a link to UNSCR 1803.

avoid activities which could contribute to Iran's weapons of mass destruction proliferation-sensitive nuclear activities or to its development of nuclear weapon delivery systems.

This guidance follows the guidance that was published by the FATF in June 2007 (concerning UNSCRs 1540, 1673, 1695, 1718, 1737 and 1747) and October 2007 (UNSCR 1737), which was welcomed by the United Nations Security Council. This guidance, as well as the previously published UNSCR guidance is not directly related to the 40+9 FATF Recommendations. It is designed to facilitate countries' implementation of the financial provisions of UNSCRs.

MONITORING COMPLIANCE WITH AML/CFT STANDARDS

Promoting global implementation of the standards.

The mutual evaluation process represents a key component of the FATF's work, as it is through this process that the FATF monitors the implementation of the 40+9 Recommendations in its member jurisdictions and assesses the overall effectiveness of AML/CFT systems. Similarly, it is a core role for the FSRBs to conduct mutual evaluations of their member jurisdictions. The IMF and the WB also conduct evaluations of jurisdictions' AML/CFT systems in a similar way to the FATF and FSRBs.

Each member jurisdiction is evaluated in turn by a team made up of other FATF members. The scope and purpose of these evaluations is to assess whether:

- The necessary laws, regulations or other measures required under the new standards are in force and in effect.
- There has been a full and proper implementation of all necessary measures.
- The system in place is effective.

During the mutual evaluation, a country's level of compliance is assessed and a rating is given for each Recommendation: C: compliant; LC: Largely Compliant; PC: Partially Compliant, NC: Non-compliant or NA: Non-applicable.

The FATF has developed comprehensive and detailed procedures for its mutual evaluations, and these help to ensure fair, proper and consistent evaluations of all jurisdictions, regardless of the assessment team used. The evaluations are based on the FATF 40+9 Recommendations and performed using the *AML/CFT Methodology 2004*, the *AML/CFT Handbook for Countries and Assessors 2004*, and the *Third Round of AML/CFT Mutual Evaluations Process and Procedures (February 2009)*.

The assessment process takes approximately one year to complete. It is conducted by a team which is commonly composed of four to six experts with legal, financial and law enforcement expertise and two members of the FATF Secretariat. During this process, the team makes an on-site visit to the country and drafts a detailed report which assesses the extent to which the evaluated country has moved forward in implementing an effective AML/CFT system and identifies deficiencies which will need to be addressed. The FATF also continuously monitors, co-ordinates and reviews the AML/CFT evaluation processes and procedures.

Box 1.



The **Methodology for Assessing Compliance with the FATF 40 Recommendations and the FATF 9 Special Recommendations** sets out:

- The background of the methodology, how it will be used in evaluations / assessments and a description of what is necessary for an effective AML/CFT system.
- Guidance and interpretation concerning the use of the Methodology.
- Essential criteria and additional elements for each of the Recommendations.

The Methodology assists countries with diverse legal, regulatory and financial frameworks, in implementing robust AML/CFT systems.

Document available on www.fatf-gafi.org.

Box 2.



The **AML/CFT Evaluations and Assessments - Handbook for Countries and Assessors** is intended to be used by (or to assist) the assessment teams and the examined countries that are participating in an AML/CFT mutual evaluation, carried out by the FATF, FSRB or taking part in an IMF/World Bank assessment. It provides procedural information and detailed instructions for performing a proper and fair evaluation and assessment.

Document available on www.fatf-gafi.org.

The 3rd Round of Evaluations

The third round of mutual evaluations for FATF members began in January 2005 and is now nearing its end. Five FATF mutual evaluations were finalised in 2008-2009: Japan (joint evaluation with the APG), Mexico (conducted by the IMF on behalf of the FATF), South Africa (joint evaluation with ESAAMLG), Austria (conducted by the IMF on behalf of the FATF) and observer member Korea (joint evaluation with the APG). To date, 25 of the 32 FATF member jurisdictions have been evaluated in this round.

Table 2: FATF Jurisdictions assessed in the 3rd round (date of approval)

Member jurisdictions	Plenary dates																
	June 2005	October 2005	February 2006	June 2006	October 2006	February 2007	June 2007	October 2007	February 2008	June 2008	October 2008	February 2009	June 2009	October 2009	February 2010	June 2010	October 2010
Argentina																	
Australia																	
Austria																	
Belgium																	
Brazil																	
Canada																	
China							1										
Denmark																	
Finland																	
France																	
Germany																	
Greece																	
Hong Kong, China																	
Iceland																	
Ireland																	
Italy																	
Japan																	
Kingdom of the Netherlands																	
Luxembourg																	
Mexico																	
New Zealand																	
Norway																	
Portugal																	
Russian Federation																	
Singapore																	
South Africa																	
Spain																	
Sweden																	
Switzerland																	
Turkey																	
United Kingdom																	
United States																	
Observer members																	
India																	
Korea																	

1. China was assessed as an observer for the purpose of membership to the FATF.
 2. Aruba (Kingdom of the Netherlands)

In an effort to ensure transparency in the mutual evaluation process, draft FATF mutual evaluation reports are shared with all members and observers. After discussion and adoption by the FATF Plenary, the Mutual Evaluation Reports are published on the FATF website at www.fatf-gafi.org. Similarly, the reports of evaluations conducted by the FATF-Style Regional Bodies (FSRBs), IMF and World Bank are published on their websites.

Almost all the bodies engaged in conducting AML/CFT evaluations or assessments have agreed to publish assessment reports on their websites. See Annex 3 for a list of the jurisdictions which have been evaluated using the 2004 Assessment Methodology and for which reports have been published by the relevant assessment body.

During the past year, 39 evaluations were completed by FSRBs (See Table 3 and Annex 4).

Table 3: Evaluations adopted by the FSRBs in 2008-2009

APG	CFATF	EAG	ESAAMLG	GAFISUD	GIABA	MENAFATF	MONEYVAL
Indonesia	Antigua & Barbuda	Belarus	Malawi	Peru	Cape Verde	Egypt	Azerbaijan
Myanmar	Barbados	Russian Federation	Mauritius	Colombia	Gambia	Jordan	Estonia
Palau	Grenada	Tajikistan	South Africa	Paraguay	Guinea-Bissau	Qatar	Former Yugoslav Republic of Macedonia
Bangladesh	Haiti				Mali	Yemen	Israel ¹
	St Lucia				Niger	United Arab Emirates	Montenegro
	Turks & Caicos Islands				Sierra Leone		Romania
	British Virgin Islands						Russian Federation
							San Marino
							Ukraine

2. Active observer status

As thirteen of the 34 FATF members are also members of one or more of the FSRBs, these evaluations are conducted as a joint exercise involving the FATF and the relevant FSRB. The Secretariats of the FATF and FSRBs work together to ensure a consistent approach to mutual evaluations by using standard documentation, questionnaires, participation of FSRB members at FATF events and the organisation of evaluator training sessions (see page 15). The aim of this collaboration with the FSRBs is to move towards consistency in the evaluations, regardless of the assessor body involved and to assist the FSRBs where necessary in further development of their assessment capabilities.

Follow-Up to Evaluations

Once a mutual evaluation has been completed and adopted by the FATF, an evaluated jurisdiction enters a phase during which the FATF monitors its progress in addressing areas where its AML/CFT system may be deficient or need to be strengthened. This follow-up process generally requires submitting a report to the FATF two years after the evaluation, although the FATF may require reporting back more often if it finds that not enough progress is being made.

Where a member jurisdiction has achieved a high degree of compliance for certain of the “core” FATF Recommendations (Belgium, Portugal and Singapore have done so) then the jurisdiction simply provides a “biennial update” on any remedial actions it is taking. All other FATF jurisdictions evaluated so far have been subject to “regular follow-up reporting”, either after the two years or more frequently as required by the FATF Plenary. The FATF has considered each of these reports and then made individual judgements as to whether the progress has been sufficient. In February and June 2009, Italy and Norway submitted final follow-up reports⁸ that indicated substantial progress had been made in elevating the compliance levels of their respective AML/CFT systems. On this basis, the FATF decided that these two jurisdictions will henceforth provide biennial updates on their future AML/CFT actions. Table 4 shows the FATF jurisdictions that have submitted follow-up reports.

Table 4: Follow-up to the 3rd Round of Mutual Evaluations

FATF Jurisdictions	Plenary dates						
	June 2007	October 2007	February 2008	June 2008	October 2008	February 2009	June 2009
Argentina							
Australia	1			2		3	
Austria							
Belgium	B						
Brazil							
Canada					1		
China ⁽¹⁾	1	2	3	4		5	
Denmark			1			2	
Finland							
France							
Germany							
Greece	1	2	3	4		5	
Hong Kong, China				1			
Iceland							
Ireland		1			2		
Italy	1			2	3	◆	
Japan							
Kingdom of the Netherlands							
Luxembourg							
Mexico							
New Zealand							
Norway	1		2		3	4	◆
Portugal				B			
Russian Federation							
Singapore							
South Africa							
Spain			1			2	
Sweden		1			2	3	
Switzerland	1			2		3	
Turkey				1			
United Kingdom						1	
United States			1			2	

1. China was assessed as an observer for the purpose of membership to the FATF.

Evaluator training

To ensure that the evaluations are fair and consistent, it is important that the team of assessors have a good level of knowledge about the FATF Standards and Methodology. It is for this reason that the FATF, the IFIs and the FSRBs provide five-day training programmes for prospective assessors from governments which are members of the FATF or of an FSRB. These programmes are delivered in various locations in the official languages of the assessment bodies (such as English, French, Russian, Arabic and Spanish). The training

⁸ These final follow-up reports are available on the FATF website, www.fatf-gafi.org.

programme ensures that there is a large pool of trained assessors to take part in mutual evaluations. The training materials are updated regularly to take into account any changes to the standards and methodology. The most recent revision was finalised in April 2009, following a joint review by the FATF, IMF, World Bank and the APG.

In 2008-2009, the following training sessions were organised.

Table 5: Mutual Evaluator training sessions provided by assessor bodies

Date	Assessor Body	Location of training
28 July – 1 August 2008	FATF	Washington, DC, United States
11-15 August 2008	APG	Singapore
September 2008	EAG	Moscow, Russian Federation
1-3 October 2008	MONEYVAL	Strasbourg, France
22-23 September 2008	ESAAMLG	Bagamovo, Tanzania
10-13 November 2008	GAFISUD	Uruguay
23-27 March 2009	FATF	Paris, France
6-10 April 2009	GIABA	Lomé, Togo
20-24 April 2009	ESAAMLG	Mombasa, Kenya
1-5 June 2009	CFATF	Port of Spain, Trinidad

IDENTIFYING AND RESPONDING TO THREATS

Uncooperative and High-Risk jurisdictions

The FATF remains vigilant on international co-operation issues and responds, as necessary, to jurisdictions that pose a threat to the international financial system and the international effort to combat money laundering and terrorist financing. Previously, the FATF non-cooperative countries and territories (NCCT) process, which began in 2000, identified 23 jurisdictions that posed significant ML/TF risks to the international financial system. The process was highly successful—all of the jurisdictions that had been identified as NCCTs in 2000 and 2001 made significant progress and are no longer on the NCCT list.

Throughout 2008-2009, the FATF has continued its International Co-operation Review Group to analyse problematic and high-risk jurisdictions and recommend specific action. In 2008, the FATF issued a series of statements expressing concerns about the AML/CFT deficiencies in Iran, Uzbekistan, Pakistan, Turkmenistan, São Tomé and Príncipe, and the northern part of Cyprus. The statements called on FATF members and urged all jurisdictions to pay special attention to transactions dealing with Iran and Uzbekistan and to strengthen preventive measures in response to the risks associated with these countries. All FATF members and many other jurisdictions took action to advise their financial institutions of these risks. In February 2009, the FATF called on its members and other jurisdictions to apply counter-measures to protect their financial sectors from money laundering and terrorist financing risks emanating from Iran. The situation will continue to be monitored so that further action can be taken, as necessary, to protect the international financial system.

Most of these jurisdictions have taken at least some steps towards implementing AML/CFT systems. In October 2008 the FATF publicly recognised the progress made in the northern part of Cyprus.

The FATF began strengthening its procedures to respond to high-risk jurisdictions in 2008; this process was reinforced with the call on a number of international bodies, including the FATF, for fortified action in response to the global financial and economic crisis. In June 2009, the FATF adopted new procedures for identifying non-cooperative and high-risk jurisdictions and has begun the process of reviewing the AML/CFT regimes of a limited number of jurisdictions. The process will include direct engagement with the jurisdictions under review. After reviews are completed, jurisdictions found to be non-cooperative or high-risk at that time will be publicly identified. This would be accompanied by an FATF call on members and other jurisdictions to apply enhanced scrutiny when dealing with transactions involving the identified jurisdictions. In addition to enhanced scrutiny, the FATF will, if necessary, ultimately call for the application of appropriate counter-measures in order to protect the financial system.

Money Laundering and Terrorist Financing Threats

The methods used for laundering money and the financing of terrorist are in constant evolution. As the international financial sector increasingly complies with the FATF standards, criminals need to find alternative channels to launder proceeds of criminal activities and finance their illicit activities. The FATF continuously monitors and identifies new threats and methods. It describes and explains the nature of money laundering and terrorist financing threats in a series of typologies reports. These studies play a key role in ensuring the effectiveness of the FATF standards as they are used by the FATF to support FATF policy-making. The FATF's typologies studies increase global awareness of new threats and money laundering methods. This in turn allows for earlier detection as to whether these methods are used. Typologies studies are also crucial to further

develop the FATF Standards so that they can effectively combat money laundering and terrorist financing as it continues to evolve.

The 2008-2009 Typologies exercise

In November 2008, the FATF and MONEYVAL (The Council of Europe's AML/CFT group) jointly hosted the annual meeting of experts on typologies. The meeting, held in Monaco, brought together 170 representatives from over 50 countries.

Experts have met annually for the past 20 years to share knowledge and expertise and as a result improve their understanding of money laundering and terrorist financing techniques. In his opening address, HSH Prince Albert II of Monaco stressed the importance of co-operation between jurisdictions in exchanging experience and best practices, so as to ensure a harmonised approach to the problems faced.

New Studies on Typologies

This year, two typologies reports were finalised and published. In March 2009, a joint Asia Pacific Group (APG) / FATF typologies report was finalised and published: *Vulnerabilities of Casinos and Gaming Sector*.

Box 3.

Vulnerabilities of Casinos and Gaming Sector

Over 150 countries take part in casino and card room gambling. This represents a significant global cash-intensive activity which is vulnerable to criminal exploitation. This APG/FATF report provides regional and global typologies illustrating misuse of casinos and gaming for money laundering (ML) and terrorist financing (TF) purposes. It discusses relevant methods, vulnerabilities, indicators that can aid detection, deterrence and international information exchange.

Certain features of this sector make it more vulnerable to money laundering and terrorist financing:

- Casinos provide a range of financial activities as round-the-clock "entertainment".
- The sector generates enormous amounts of revenue.
- There is often criminal interest in or around casinos.
- In some jurisdictions, the regulation of this sector is weak.
- Law enforcement and financial institutions may not understand the casino business.



The report further considers vulnerabilities from gaps in domestic implementation of AML/CFT measures. The report does not cover online casinos and gaming.

Document available on www.fatf-gafi.org.

In June 2009, a key typologies report concerning the football sector was finalised. Football is by far the biggest sport in the world. The report bases many of its conclusions on the experience of and co-operation with the private sector, the International Olympic Committee (IOC), *Fédération Internationale de Football Association* (FIFA) and Union of European Football Associations (UEFA).

Box 4.

Money Laundering through the Football Sector

Money laundering through this sector was revealed to be complex, as there are a number of monetary flows involved, including ownership of football clubs or players, the transfer market, betting activities, image rights, sponsorship and advertising arrangements.

The report identified three potential areas of vulnerability:

- The structure of the sector: The market is easy to penetrate with a multitude of stakeholders and money flows.
- The sector's finance: Clubs have large financial needs, monitoring of the origin or destination of payments is weak or even absent.
- The sector's culture: A social vulnerability of some players (particularly younger players) and the societal role of football, making people reluctant to shatter sports' illusion of innocence.



The report proposes some issues for consideration to improve the capacity to cope with the money laundering risks associated with the football sector.

Document available on www.fatf-gafi.org.

STRENGTHENING THE AML/CFT NETWORK

Engaging with stakeholders and partners throughout the world.

FATF Membership

Thirteen of the 34 FATF member jurisdictions are also members of one or more of the FSRBs. Joint membership provides a close link between the work of the FATF and the FSRBs. Additionally, it – along with the active participation of many FATF members as observers to FSRBs - aids consistency of approach in the work of these bodies and supports effective information sharing between them.

Table 6: FATF Members that are full members of FSRBs

	APG	CFATF	EAG	ESAAMLG	GAFISUD	MENAFATF	MONEYVAL
Argentina							
Australia							
Brazil							
Canada							
People's Republic of China							
France							1
GCC						2	
Hong Kong, China							
Mexico							
Kingdom of the Netherlands		3					1
Russian Federation							
Singapore							
South Africa							
United States							

1. France and the Netherlands were full members of MONEYVAL during the period of this annual report.

2. All members of the Gulf Co-operation Council (GCC) are full members of MENAFATF.

3. Aruba and the Netherlands Antilles, which are part of the Kingdom of the Netherlands, are both members of CFATF.

FATF Observership

The Republic of Korea and India have had observer status since July 2006 and November 2006 respectively.

Korea has been a member of the APG since 1998 and held the position of APG co-chair during 2002-2004. In February 2008, the contact group, which had been working with Korea on its membership accession, recommended to the FATF Plenary that Korea was ready to undertake a mutual evaluation for membership purposes. The Plenary agreed, and the evaluation of Korea started in September 2008. The outcome of the evaluation was presented to Plenary at the June 2009 meeting and will be further discussed at the October 2009 Plenary. India became an observer member in November 2006 and attended its first FATF Plenary in February 2009 in Strasbourg. India has been a member of the APG for nearly ten years and was a member of the APG Steering Group in 2005/2006. The mutual evaluation for membership purposes for India will begin in

late 2009, with consideration of its outcome and a decision on India's full membership in the FATF planned for June 2010. The level of compliance with the AML/CFT standards is central to the Plenary's decision to grant a jurisdiction full membership in the FATF.

In October 2008, the FATF welcomed the Basel Committee on Banking Supervision as an FATF observer organisation, and in June 2009, EUROJUST, an EU body competent for judicial co-operation in criminal matters, also became an observer organisation. Closer co-operation with these organisations will build on existing synergies and will strengthen the global impact of the FATF network.

Joint initiatives with the Associate Members and other FATF-Style Regional Bodies

To successfully combat money laundering and terrorist financing requires a consistent approach on a global scale. The FATF has worked closely with the FSRBs for more than ten years to establish a global network to ensure effective implementation of FATF standards in all regions of the world. The FATF collaborates on an on-going basis with other international bodies involved in combating money laundering and terrorist financing and pursues several joint initiatives each year.

Co-operation with international organisations

The FATF and International Financial Institutions (IFIs) have continued to co-ordinate their activities closely, in particular in the area of AML/CFT evaluations and assessments. Increasingly, the IFIs work collaboratively with FSRBs on assessments of jurisdictions' AML/CFT systems. The FATF also continues to work closely with its other observer organisations – including the UN, the Egmont Group and the IFIs – in a number of other areas. All of this effort contributes towards maintaining and expanding a global AML/CFT partnership.

Work with the private sector

As part of its consultation process with private sector representatives and industry associations, the FATF has launched an online forum – the Private Sector Consultative Forum - bringing together the FATF and key private sector bodies. The forum builds on existing outreach activities and has formalised and enhanced dialogue and a partnership approach between the FATF and key private sector organisations from a wide range of sectors across the globe. Building on useful ideas raised in this forum, the FATF has agreed to initiate a joint project with the private sector on the role of intermediaries and other third parties in performing customer due diligence (see the FATF requirement under Recommendation 9). An Expert Group with representatives from FATF members, FSRBs and the private sector met in June 2009 to define and understand the issues that are raised by the implementation of this Recommendation.

In the past few years, the FATF has extensively discussed the issue of the risk-based approach (RBA) with the private sector. The FATF Recommendations contain language that permits countries to some degree to adopt a risk-based approach to combating money laundering and terrorist financing. That language also allows countries to permit financial professions and designated non-financial businesses and professions to use a risk-based approach in applying certain of their AML and CFT obligations. To deal with this issue and develop further guidance for public authorities and for the industry, the FATF created several electronic advisory groups on the risk-based approach as tools to facilitate dialogue among the interested parties. The first electronic advisory group was set up in March 2006 and included both public and private sector participants. A similar electronic network was created in October 2008 to develop guidance together with the insurance and money service business sectors.

In June and October 2008 the FATF finalised RBA guidance for:

- Accountants
- Dealers in precious metals and stones
- Real estate agents
- Trust and company service providers
- Legal professionals
- Casinos

Another guidance paper was adopted for the money service business sector in June 2009.

These guidance papers are intended to assist both public authorities and the private sector in applying a risk-based approach to combating money laundering and terrorist financing by:

- Supporting the development of a common understanding of what the risk-based approach involves.
- Outlining the high-level principles involved in applying the risk-based approach.
- Indicating good practice in the design and implementation of an effective risk-based approach.

The guidance aims to set out the key elements of an effective risk-based approach and identifies the types of issues that both public authorities and financial institutions may wish to consider when applying a risk-based approach.

The guidance recognises that each country and its national authorities, in partnership with its financial institutions, will need to identify the most appropriate regime, tailored to address individual country risks. Therefore, the guidance does not attempt to provide a single model for the risk-based approach, but seeks to provide guidance for a broad framework based on high level principles and procedures that countries and individual firms may wish to consider when applying a risk-based approach to ML and TF.



Documents from the risk-based approach series available on www.fatf-gafi.org.

SUPPORT SERVICES AND FINANCIAL STATEMENTS

The FATF Secretariat co-ordinates and supports the work of the FATF. It consists of experts in legal, law enforcement and regulatory issues as well as support staff. The variety of expertise and experience ensures that the work of the various working groups is taken forward efficiently.

The Secretariat is currently composed of 18 staff members: an Executive Secretary; four Principal Administrators, one Senior Expert, six Administrators, one Administrative Officer, one Electronic Information Management Officer and four Assistants. From time to time, the Secretariat also hosts short term interns.

The role of the FATF Secretariat is to provide support to the FATF, including the organisation of various Plenary and Working Group meetings and to provide support to the President, the Steering Group and FATF delegations. The Secretariat prepares and produces policy papers discussed in Working Groups and/or the Plenary, organises and participates in mutual evaluation missions and produces the related assessment reports. Also, the Secretariat liaises on an on-going basis with the numerous FATF partners, undertakes a representational role at professional events and provides information to the public and the media.

The FATF has made FATFNet - a new electronic information service - available to its delegates. This service became fully operational during 2008-2009. It provides a more efficient and secure method of dissemination of FATF documents and meeting information.

The cost of the Secretariat and other services is met entirely by the FATF budget. Funding for the FATF is provided by its members on an annual basis and in accordance with the scale of contributions to the OECD. The scale is based on a formula related to the size of the country's economy. Non-OECD members' contributions are calculated using the OECD scale. The two member organisations also make voluntary contributions to the FATF budget. The budget of the FATF for fiscal years 2008-2009 are reflected in Table 7.

Table 7: FATF Budget summary, Fiscal years (FY) 2008 and 2009

Budget Items	Budget FY 2008	Budget FY 2009
Emoluments, allowances and employer's contributions for permanent staff	1 846 200	1 871 500
Official travel	275 000	294 300
Consultants, contracts, auxiliaries and conferences	1 000	93 700
Entertainment expenses	1 000	1 000
Operating expenditure	149 200	157 000
Share of OECD's overheads	174 700	206 000
Documentation and library	1 000	1 000
Meetings, documents, translation and interpretation	94 800	122 900
Miscellaneous and unforeseen expenditures	1 000	1 000
Capital expenditure	1 000	8 700
Information technology	38 300	40 100
Carry forward/adjustments		
TOTAL	2 583 200	2 797 200

ANNEX 1: FATF MANDATE

FATF MANDATE 2008-2012

I. Introduction and Background

1. Since its creation in 1989, the Financial Action Task Force (FATF) has worked to ensure that its 40+9 Recommendations are recognised globally as the international standards for anti-money laundering and combating the financing of terrorism (AML/CFT). The work of the FATF, covering more than 170 jurisdictions, has had a significant impact on the global detection and prevention of money laundering and terrorist financing, and is critical to the implementation of more robust AML/CFT regimes around the world.

2. The FATF, since its establishment, has focused its work on three main activities: standard setting, ensuring effective compliance with the standards and identifying money laundering and terrorist financing threats. These activities will remain at the core of the FATF's work for the remainder of this mandate. Going forward, the FATF will build on this work and respond to new and emerging threats, such as proliferation financing and vulnerabilities in new technologies which could destabilise the international financial system.

3. A mid-term review was conducted in 2007 to ensure that the FATF is equipped to respond flexibly to new challenges. The FATF mandate, revised through this mid-term review process will expire in December 2012.

II. FATF Standards

4. The core work of the FATF since its creation has been to combat money laundering (40 Recommendations), and since 2001, terrorist financing (9 Recommendations). The FATF has taken concerted action to combat these threats. The FATF continues to revise and clarify these standards, and will continue to do so when necessary. This approach has so far provided the right balance between giving the required stability to the FATF standards, whilst allowing for the necessary flexibility to respond to the changing nature of the threats faced. Maintaining this balance between stability and flexibility allows for more predictability, and consistent implementation globally.

III. Promoting Global Implementation of the Standards

5. Full and effective roll-out of the 40+9 Recommendations in all countries is one of the fundamental goals of the FATF. Members are assessed through the mutual evaluation process which is an essential and long standing core activity of the FATF. This peer review process has now been extended through the FATF-Style Regional Body (FSRB) network to more than 170 countries, and is the critical mechanism for promoting timely and effective implementation of FATF Recommendations and for contributing to the creation of a level playing field throughout the membership and beyond. Countries that are not FSRB members will be encouraged to join the relevant regional body. The FATF will complete the third round of mutual evaluations of its membership (using the common assessment methodology) to determine the degree to which all members have implemented the 40+9 Recommendations. Also, the FATF will continue to undertake appropriate follow-up action from mutual evaluations to ensure that members correct, as quickly as possible, any deficiencies that are identified through the mutual evaluation process.

6. All countries, including non-members, should implement the FATF Recommendations effectively, to ensure a more effective global system for combating AML/CFT risks. However, many countries, in particular low-capacity countries, face challenges in the implementation of FATF standards. In order to minimise both their own vulnerabilities and the associated risks for the international financial system, the FATF, in close collaboration with the FSRBs and other international partners, will develop strategies to facilitate the implementation of the FATF Recommendations by countries facing capacity constraints. As a first step the FATF and FSRBs will continue their work to support the effective implementation of the FATF standards in these countries.

FATF MANDATE 2008-2012

IV. Identifying and Responding to New Threats

(a) High-risk jurisdictions

7. A key element of the FATF's work will continue to be its action to identify and address risks posed by jurisdictions with significant deficiencies in their AML/CFT regimes in order to protect the international financial system from criminal threats. Action such as the Non-Cooperative Countries and Territories exercise led to significant improvements in the AML/CFT regimes of more than 20 countries.

8. In 2006, the FATF adopted a new surveillance process - the International Co-operation Review Group - to identify, examine and engage with vulnerable jurisdictions that are failing to implement effective AML/CFT systems. The FATF will continue to use this process to reach out to those countries and, where appropriate, will take firm action when a country chooses not to engage with the appropriate FSRB or the FATF or to reform its systems.

(b) Systemic Money laundering and terrorist financing threats

9. The FATF is uniquely placed to analyse and draw international attention to emerging money laundering and terrorist financing vulnerabilities, and has significantly enhanced its process for the identification of money laundering and terrorist financing threats (the typologies process). The generation and dissemination of in-depth typologies studies is central to the work of the FATF and provides a solid foundation for ongoing policy development at the national and international levels. The FATF will continue to produce such studies which present detailed information about the methods, trends and techniques of money laundering and terrorist financing, and provide practical input to policy makers and the standard-setting process. In pursuing this work, the FATF will continue its expanded co-operation with the FSRBs and other international bodies, and will also harness the experience and expertise which the private sector can bring to this process.

10. Looking forward, the FATF will intensify its surveillance of systemic criminal and terrorist financing risks to enhance its ability to identify, prioritise and act on these threats. In this context, and drawing on contributions from the FATF membership, the private sector and the FSRBs, it will support the development of national threat assessments through best practice guidance and establish stronger and more regular mechanisms for sharing information on risks and vulnerabilities. The results of the enhanced strategic surveillance function will be disseminated publicly via the publication of a regular global threat assessment.

11. The FATF will also examine the available data to measure the impact of AML/CFT regimes on underlying criminal and terrorist activity, encouraging research into the effectiveness of its regime. It will examine the feasibility of implementing cost-benefit analysis across the field of AML/CFT policy.

(c) Emerging Threats

12. Globalisation has created potential new risks as criminals and terrorists seek to penetrate the global financial system. The FATF will remain at the centre of international efforts to protect the integrity of the financial system and will respond to the significant new threats emerging which are related to, but may fall outside its core activities. The FATF will only consider limited expansions of its field of action where it has a particular additional contribution to make.

13. Proliferation financing is a current example of an area where the FATF can add value to the wider efforts of the international community and, consistent with the needs identified by the UN Security Council Resolutions, the FATF will continue to work on this issue. In doing so, the FATF will ensure that it does not duplicate existing efforts elsewhere.

V. Relations with Stakeholders and Partners

(a) Outreach to the private sector and the public

14. The private sector is at the front line of the international battle against money laundering, terrorist

FATF MANDATE 2008-2012

financing and other illicit financing threats. The FATF has significantly increased its engagement with the private sector, through events with industry groups and the production of joint analysis on issues of common concern, soliciting private sector input to the typologies process, and through the establishment of a new private sector consultative forum. Looking forward, it will deepen its engagement with the private sector, through holding regular dialogues between the FATF and the private sector in support of our common objective of a more effective implementation of FATF standards.

15. More generally, in accordance with better regulation practice, the FATF will maintain high levels of transparency in its work, through direct communication, outreach and awareness-raising across all stakeholders, and making use of all available channels of communication.

(b) Relations with other international organisations

16. The FATF relies on and values its close partnerships with other international organisations, including the United Nations, the International Monetary Fund, the World Bank and the Financial Stability Forum, in the delivery of its objectives. The FATF has conducted targeted outreach to improve the FATF's knowledge of particular issues and to ensure that the FATF standards do not conflict with the work of other international organisations. In particular, the IMF and the World Bank have made an important contribution to global efforts to combat money laundering and terrorist financing in non-FATF member countries, and the FATF supports this valuable contribution to the global effort. The FATF will continue to work actively with all partners to further FATF objectives and to draw on their knowledge in developing FATF policy.

(c) Relations with Associate Members and FSRBs

17. The FSRBs, several of which are now associate members of the FATF, play an important leadership role in their respective regions and provide important regional expertise and input into the FATF policy-making function. The FATF and FSRBs will continue to strengthen their working relationships, as well as extending outreach at a regional level with key partners.

VI. Operational Issues

(a) FATF Structure and Organisation

18. The FATF's task force structure has enabled it to respond decisively and promptly to emerging threats and to accommodate efficiently several expansions in its membership. This structure remains broadly the right one for the organisation and should be maintained.

19. Over the long-term, it will be vital for the FATF to evolve if it is to maintain an effective response to the constantly changing threats facing the international financial system. It will therefore be essential that the structure, organisation and operational planning of the FATF remain flexible and able to adapt to meet new challenges as they arise.

(b) Membership

20. The FATF has gradually increased its membership, and since 2000 has admitted six new members and has accepted two observer countries that are expected to become members in due course¹. The FATF will continue to work actively towards the membership of the remaining two countries. The FATF will maintain its open approach and will consider the structure of the global AML/CFT architecture, including the enhanced role played by associate members and FSRBs, and FATF membership, once the current expansion is completed. In this regard, the strategic importance of a country, the geographic balance of FATF membership overall, and a country's commitment to implementing the FATF standards will remain the guiding principles of future membership decisions.

21. The FATF currently has 22 observer organisations/bodies. To make the most effective and efficient use of these relationships the FATF will review its policy on observer status.

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(c) Presidency

22. Each Presidency will continue to be designated by the plenary for the duration of one year, and will be supported by a Vice-Presidency, which will be the Presidency-designate.

(d) The Steering Group

23. The seven-member Steering Group is an advisory body for the President. The composition of the Steering Group will continue to reflect the geography and size of the FATF as well as include the President, the immediate past Presidency, and the Presidency-designate.

(e) The Secretariat and Budget

24. The Secretariat will continue to support the work of the FATF, including through the working groups and ad hoc groups to ensure co-ordination and consistency.

25. The current arrangements for financing FATF activities will be retained. The cost of the Secretariat and other services will be met by the FATF budget, through the OECD, with member contributions in line with OECD scales, and with the option of additional contributions.

VII. Ministerial Accountability

26. The FATF is accountable to the Ministers of its membership. To strengthen this accountability, the FATF President will report annually to Ministers on key aspects of FATF work, including on global threats. Given the potentially destabilising effects of criminal and terrorist action against the international financial architecture, occasional ministerial meetings will provide an ongoing accountability mechanism whereby Ministers can shape the strategic direction of FATF policy-making.

ANNEX 2: FATF DOCUMENTS PUBLISHED IN 2008-2009

Guidance for Money Service Businesses - Risk-Based Approach, 3 July 2009
www.fatf-gafi.org/dataoecd/45/1/43249256.pdf

Freezing of Terrorist Assets: International Best Practices, 2 July 2009
www.fatf-gafi.org/dataoecd/30/43/34242709.pdf

Money Laundering through the Football Sector, 1 July 2009
www.fatf-gafi.org/document/20/0,3343,en_32250379_32237202_43216660_1_1_1_1,00.html

Follow-up Report for the Third Mutual Evaluation of Norway, 30 June 2009
www.fatf-gafi.org/document/14/0,3343,en_32250379_32236982_43177166_1_1_1_1,00.html

Chairman's Summary and FATF Statement, Lyon Plenary, 24-26 June 2009, 29 June 2009
www.fatf-gafi.org/document/15/0,3343,en_32250379_32236836_43193871_1_1_1_1,00.html

Vulnerabilities of Casinos and Gaming Sector Report, March 2009
www.fatf-gafi.org/dataoecd/47/49/42458373.pdf

Mutual Evaluation of South Africa, March 2009
www.fatf-gafi.org/document/29/0,3343,en_32250379_32235720_42432029_1_1_1_1,00.html

MONEYVAL Public Statement in respect of Azerbaijan, March 2009 (see also statement of December 2008)
www.fatf-gafi.org/dataoecd/41/41/42406214.pdf

Third Mutual Evaluation of Italy – Follow-Up Report, February 2009
www.fatf-gafi.org/document/9/0,3343,en_32250379_32236982_42257865_1_1_1_1,00.html

Chairman's Summary of the Paris Plenary, February 2009
www.fatf-gafi.org/document/57/0,3343,en_32250379_32235720_42256633_1_1_1_1,00.html

Methodology for Assessing Compliance with the FATF 40 Recommendations and the FATF 9 Special Recommendations, updated regularly, most recent update: February 2009
www.fatf-gafi.org/dataoecd/16/54/40339628.pdf

FATF Statement on Iran, Uzbekistan, Turkmenistan, Pakistan and São Tome and Príncipe, February 2009 (see also statement of October 2008)
www.fatf-gafi.org/dataoecd/18/28/42242615.pdf

Mutual Evaluation Report of Mexico, January 2009
www.fatf-gafi.org/document/20/0,3343,en_32250379_32235720_41911956_1_1_1_1,00.html

Antonio Gustavo Rodrigues' Keynote Address to the Council of Europe Committee of Experts on the Evaluation of MONEYVAL, December 2008
www.fatf-gafi.org/document/56/0,3343,en_32250379_32235720_41849720_1_1_1_1,00.html

FATF President's Keynote Address to the Joint FATF/MONEYVAL Experts Meeting on Typologies, November 2008
www.fatf-gafi.org/document/46/0,3343,en_32250379_32235720_41787182_1_1_1_1,00.html

Mutual Evaluation of Qatar, November 2008
www.fatf-gafi.org/dataoecd/34/34/41763274.pdf

Mutual Evaluation of the United Arab Emirates (UAE), November 2008
www.fatf-gafi.org/dataoecd/47/55/41721938.pdf

Mutual Evaluation of Japan, November 2008
www.fatf-gafi.org/document/61/0,3343,en_32250379_32235720_41684733_1_1_1_1,00.html

Risk-Based Approach for Casinos, October 2008
www.fatf-gafi.org/dataoecd/5/61/41584370.pdf

Risk-Based Approach Guidance for Legal Professionals, October 2008
www.fatf-gafi.org/dataoecd/5/58/41584211.pdf

Guidance on Implementation of Financial Provisions of UN Security Council Resolution 1803, October 2008
www.fatf-gafi.org/dataoecd/47/41/41529339.pdf

Chairman's Summary of the FATF Plenary Meeting in Rio de Janeiro, October 2008
www.fatf-gafi.org/dataoecd/31/49/41521461.pdf

FATF-XX - Calendar of Events, October 2008
www.fatf-gafi.org/dataoecd/45/60/40981237.pdf

Typologies of Proliferation Financing, August 2008
www.fatf-gafi.org/dataoecd/14/21/41146580.pdf

Risk-Based Approach Guidance for Trusts and Companies Services Providers (TCSPs), August 2008
www.fatf-gafi.org/dataoecd/19/44/41092947.pdf

Risk-Based Approach Guidance for Accountants, August 2008
www.fatf-gafi.org/dataoecd/19/40/41091859.pdf

Risk-Based Approach Guidance for Real Estate Agents, August 2008
www.fatf-gafi.org/dataoecd/18/54/41090722.pdf

Mutual Evaluation of Hong Kong, China, July 2008
www.fatf-gafi.org/document/5/0,3343,en_32250379_32236963_40918981_1_1_1_1,00.html

Antonio Gustavo Rodrigues' Speech to the APG Annual Meeting, July 2008
www.fatf-gafi.org/document/54/0,3343,en_32250379_32236879_41032758_1_1_1_1,00.html

High Level Principles and Procedures for Dealers in Precious Metals and Dealers in Precious Stones, July 2008
www.fatf-gafi.org/dataoecd/19/42/41012021.pdf

ML & TF Vulnerabilities of Commercial Websites and Internet Payment Systems, July 2008
www.fatf-gafi.org/dataoecd/57/21/40997818.pdf

Money Laundering & Terrorist Financing Risk Assessment Strategies, July 2008
www.fatf-gafi.org/dataoecd/46/24/40978997.pdf

Mutual Evaluation of the Russian Federation, July 2008
www.fatf-gafi.org/document/1/0,3343,en_32250379_32235720_40945665_1_1_1_1,00.html

Best Practices regarding Money Laundering and Terrorist Financing through the Trade System, July 2008
www.fatf-gafi.org/dataoecd/9/28/40936081.pdf

ANNEX 3: JURISDICTIONS WHICH HAVE ENDORSED THE 40+9 RECOMMENDATIONS

Table 8: Jurisdictions which have endorsed the 40+9 Recommendations

Jurisdiction	Membership	Jurisdiction	Membership
Afghanistan	APG	Cayman Islands	CFATF, OGBS
Albania	MONEYVAL	Chile	GAFISUD
Algeria	MENAFATF	People's Republic of China	APG, EAG, FATF
Andorra	MONEYVAL	Chinese Taipei	APG
Antigua & Barbuda	CFATF	Colombia	GAFISUD
Anguilla	CFATF	Cook Islands	APG
Argentina	FATF, GAFISUD	Costa Rica	CFATF
Armenia	MONEYVAL	Cote D'Ivoire	GIABA
Aruba	CFATF, FATF1, OGBS	Croatia	MONEYVAL
Australia	APG, FATF	Cyprus	MONEYVAL
Austria	FATF	Czech Republic	MONEYVAL
Azerbaijan	MONEYVAL	Denmark	FATF
Bahamas	CFATF, OGBS	Dominica	CFATF
Bahrain	GCC, MENAFATF	Dominican Republic	CFATF
Bangladesh	APG	Egypt	MENAFATF
Barbados	CFATF, OGBS	Ecuador	GAFISUD
Belarus	ESAAMLG	El Salvador	CFATF
Belgium	FATF	Estonia	MONEYVAL
Belize	CFATF	Fiji Islands	APG
Benin	GIABA	Finland	FATF
Bermuda	CFATF, OGBS	France	FATF
Bolivia	GAFISUD	Gambia	GIABA
Bosnia and Herzegovina	MONEYVAL	Georgia	MONEYVAL
Botswana	ESAAMLG	Germany	FATF
Brazil	FATF, GAFISUD	Ghana	GIABA
British Virgin Islands	CFATF, OGBS	Greece	FATF
Brunei Darussalam	APG	Grenada	CFATF
Bulgaria	MONEYVAL	Guatemala	CFATF
Burkina-Faso	GIABA	Guernsey	OGBS
Cambodia	APG	Guinea	GIABA
Canada	APG, FATF	Guinea Bissau	GIABA
Cape Verde	GIABA	Guyana	CFATF

Table 8: Jurisdictions which have endorsed the 40+9 Recommendations (continued)

Jurisdiction	Membership	Jurisdiction	Membership
Republic of Haiti	CFATF	Former Yugoslav Republic of Macedonia	MONEYVAL
Honduras	CFATF	Malawi	ESAAMLG
Hong Kong, China	APG, FATF	Maldives	FATF
Hungary	MONEYVAL	Mali	GIABA
Iceland	FATF	Malaysia	APG
India	APG	Malta	MONEYVAL
Indonesia	APG	Marshall Islands	APG
Republic of Iraq	MENAFATF	Islamic Republic of Mauritania	MENAFATF
Ireland	FATF	Mauritius	ESAAMLG, OGBS
Isle of Man	OGBS	Mexico	FATF, GAFISUD
Israel	MONEYVAL ²	Moldova	MONEYVAL
Italy	FATF	Monaco	MONEYVAL
Jamaica	CFATF	Mongolia	APG
Japan	FATF	Montenegro	MONEYVAL
Jersey	OGBS	Montserrat	CFATF
Jordan	MENAFATF	Morocco	MENAFATF
Kazakhstan	EAG	Mozambique	ESAAMLG
Kenya	ESAAMLG	Myanmar	APG
Republic of Korea (South Korea)	APG	Namibia	ESAAMLG
Kuwait	GCC, MENAFATF	Nauru	APG
Kyrgyzstan	EAG	Nepal	APG
Labuan	OGBS	Niger	GIABA
Lao People's Democratic Republic	APG	Nigeria	GIABA
Latvia	MONEYVAL	Niue	APG
Lebanon	MENAFATF	Netherlands	FATF ¹
Lesotho	ESAAMLG	Netherlands Antilles	CFATF, FATF ¹ , OGBS
Liberia	GIABA	New Zealand	APG, FATF
Libya	MENAFATF	Nicaragua	CFATF
Liechtenstein	MONEYVAL	Norway	FATF
Lithuania	MONEYVAL	Oman	GCC, MENAFATF
Luxembourg	FATF	Pakistan	APG
Macao, China	APG, OGBS	Palau	APG

Table 8: Jurisdictions which have endorsed the 40+9 Recommendations (continued)

Jurisdiction	Membership	Jurisdiction	Membership
Panama	CFATF, OGBS	Syria	MENAFATF
Papua New Guinea	APG	Tajikistan	EAG
Paraguay	GAFISUD	Tanzania	ESAAMLG
Peru	GAFISUD	Thailand	APG
Philippines	APG	Timor Leste	APG
Poland	MONEYVAL	Togo	GIABA
Portugal	FATF	Tonga	APG
Qatar	GCC, MENAFATF	Trinidad and Tobago	CFATF
Romania	MONEYVAL	Tunisia	MENAFATF
Russian Federation	EAG, FATF, MONEYVAL	Turkey	FATF
Samoa	APG, OGBS	Turks and Caicos Islands	CFATF
San Marino	MONEYVAL	Uganda	ESAAMLG
Saudi Arabia	GCC, MENAFATF	Ukraine	MONEYVAL
Senegal	GIABA	United Arab Emirates	GCC, MENAFATF
Serbia	MONEYVAL	United Kingdom	FATF
Seychelles	ESAAMLG	United States	APG, FATF
Sierra Leone	GIABA	Uruguay	GAFISUD
Singapore	APG, FATF	Uzbekistan	EAG
Slovak Republic	MONEYVAL	Vietnam	APG
Slovenia	MONEYVAL	Vanuatu	APG, OGBS
Solomon Islands	APG	Venezuela	CFATF
South Africa	ESAAMLG, FATF	Yemen	MENAFATF
Spain	FATF	Zambia	ESAAMLG
Sri Lanka	APG	Zimbabwe	ESAAMLG
St. Kitts & Nevis	CFATF		
St. Lucia	CFATF		
St. Vincent & The Grenadines	CFATF		
Sudan	MENAFATF		
Suriname	CFATF		
Swaziland	ESAAMLG		
Sweden	FATF		
Switzerland	FATF		

1. The Kingdom of the Netherlands (comprising Aruba, the Netherlands Antilles and the Netherlands) is a member of the FATF.
2. Active observer status.

ANNEX 4: PUBLISHED ASSESSMENTS

Reports can be found on the websites of the assessor bodies:

APG:	www.apgml.org
CFATF:	www.cfatf.org
EAG:	www.eurasiangroup.org
ESAAMLG:	www.esaamlg.org
FATF:	www.fatf-gafi.org
GAFISUD:	www.gafisud.org
GIABA:	www.giaba.org
International Monetary Fund:	www.imf.org
MENAFATF:	www.menafatf.org
Moneyval:	www.coe.int/moneyval
OGBS:	www.ogbs.net
World Bank:	www.worldbank.org

For reports which involved more than one body, it is suggested that the reports may be most easily obtained from the FATF website or the website of the relevant FATF-style regional body (APG, CFATF, EAG, ESAAMLG, GAFISUD, GIABA, and Moneyval).

Table 9: Published Assessments

	Country / Jurisdiction	Assessor Body	Year Report Published
1.	Albania	MONEYVAL	2006
2.	Andorra	MONEYVAL	2007
3.	Antigua & Barbuda	CFATF	2008
4.	Australia	FATF	2005
5.	Austria	FATF (IMF)	2009
6.	Azerbaijan	MONEYVAL	2008
7.	Bahamas	CFATF	2007
8.	Bahrain	IMF (MENAFATF)	2007
9.	Barbados	CFATF	2008
10.	Bangladesh	APG	2009**
11.	Belarus	IMF (EAG)	2007
12.	Belgium	FATF	2005
13.	Bermuda	IMF (CFATF)	2008
14.	Bolivia	GAFISUD	2007
15.	Botswana	WORLD BANK (ESAAMLG)	2008
16.	Brunei Darussalam	APG	2006*
17.	Bulgaria	MONEYVAL	2008
18.	Cambodia	WORLD BANK (APG)	2007
19.	Canada	FATF (APG)	2008
20.	Cape Verde	GIABA	2009
21.	Cayman Islands	CFATF	2007

Table 9: Published Assessments (continued)

	Country / Jurisdiction	Assessor Body	Year Report Published
22.	CEMAC ¹	WORLD BANK	2006*
23.	Chile	GAFISUD	2007
24.	People's Republic of China	FATF (EAG)	2007
25.	Chinese Taipei	APG	2007
26.	Colombia	GAFISUD	2007
27.	Costa Rica	CFATF	2007
28.	Croatia	MONEYVAL	2008
29.	Cyprus	MONEYVAL	2006
30.	Czech Republic	MONEYVAL	2008
31.	Denmark	IMF (FATF)	2006
32.	Dominican Republic	CFATF	2007
33.	Ecuador	GAFISUD	2008
34.	Egypt	MENAFATF	2009**
35.	Estonia	MONEYVAL	2008
36.	Fiji	WORLD BANK (APG)	2006
37.	Finland	FATF	2007
38.	Former Yugoslav Republic of Macedonia.	MONEYVAL	2009
39.	Gambia	GIABA	2008
40.	Georgia	MONEYVAL	2007
41.	Gibraltar	IMF	2007
42.	Greece	FATF	2007
43.	Grenada	CFATF	2009
44.	Guinea-Bissau	GIABA	2009**
45.	Haiti	CFATF	2008
46.	Hong Kong, China	FATF (APG)	2008
47.	Hungary	IMF (MONEYVAL)	2005
48.	Iceland	FATF	2006
49.	India	APG	2007
50.	Indonesia	APG	2008
51.	Ireland	FATF	2006
52.	Israel	MONEYVAL	2008
53.	Italy	IMF (FATF)	2006
54.	Japan	FATF (APG)	2008
55.	Jamaica	CFATF	2007

Table 9: Published Assessments (continued)

	Country / Jurisdiction	Assessor Body	Year Report Published
56.	Jordan	MENAFATF	2009**
57.	Korea	FATF (APG)	2009
58.	Kyrgyz Republic	EAG	2007
59.	Latvia	IMF (MONEYVAL)	2007
60.	Liechtenstein	IMF (MONEYVAL)	2008
61.	Lithuania	MONEYVAL	2006
62.	Macao, China	APG (OGBS)	2007
63.	Madagascar	WORLD BANK	2006
64.	Malawi	ESAAMLG	2008
65.	Malaysia (inc. Labuan)	APG	2007
66.	Mali	GIABA	2009
67.	Malta	MONEYVAL	2007
68.	Mauritania	WORLD BANK (MENAFATF)	2007
69.	Mauritius	ESAAMLG	2008
70.	Mexico	IMF	2008
71.	Moldova	MONEYVAL	2008
72.	Monaco	MONEYVAL	2008
73.	Mongolia	APG	2007
74.	Montenegro	MONEYVAL	2009
75.	Morocco	MENAFATF	2007
76.	Myanmar	APG	2008
77.	Namibia	WORLD BANK (ESAAMLG)	2008
78.	Nepal	APG	2006*
79.	Niger	GIABA	2008**
80.	Nigeria	GIABA	2008
81.	Norway	FATF	2005
82.	Palau	APG	2008
83.	Panama	IMF (CFATF)	2007
84.	Paraguay	GAFISUD	2007
85.	Peru	GAFISUD	2007
86.	Poland	MONEYVAL	2008
87.	Portugal	FATF	2006
88.	Qatar	MENAFATF	2008
89.	Romania	MONEYVAL	2008
90.	Russian Federation	FATF (EAG and MONEYVAL)	2008
91.	Rwanda	WORLD BANK	2005*

Table 9: Published Assessments (continued)

	Country / Jurisdiction	Assessor Body	Year Report Published
92.	Samoa	APG (OGBS)	2006
93.	San Marino	MONEYVAL	2008
94.	Senegal	GIABA	2008
95.	Seychelles	ESAAMLG	2006
96.	Sierra Leone	WORLD BANK (GIABA)	2008
97.	Singapore	FATF (APG)	2008
98.	Slovakia	MONEYVAL	2006
99.	Slovenia	MONEYVAL	2006
100.	South Africa	FATF (ESAAMLG)	2009
101.	Spain	FATF	2006
102.	Sri Lanka	APG	2006
103.	St Lucia	CFATF	2008
104.	Sweden	FATF	2006
105.	Switzerland	FATF	2006
106.	Syria	MENAFATF	2007
107.	Tajikistan	EAG	2009
108.	Thailand	APG	2007
109.	Trinidad and Tobago	CFATF	2007
110.	Tunisia	MENAFATF	2008
111.	Turkey	FATF	2007
112.	Turks & Caicos Islands	CFATF	2008
113.	Uganda	ESAAMLG	2007
114.	Ukraine	MONEYVAL	2009
115.	United Arab Emirates	MENAFATF	2008
116.	United Kingdom	FATF	2007
117.	United States	FATF (APG)	2006
118.	Uruguay	GAFISUD	2007
119.	Vanuatu	APG (OGBS)	2007
120.	Virgin Islands	CFATF	2008
121.	Yemen	MENAFATF	2008
122.†	Zambia	ESAAMLG	2009**
123.	Zimbabwe	ESAAMLG	2008

1. CEMAC (Communauté Économique et Monétaire de l'Afrique Centrale) is the Economic and Monetary Community of Central Africa.

* Only a summary of the report was published.

** The assessment report was not yet available on the relevant assessor body website at the time of publication of this report.

Financial Action Task Force

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