

FATF



Annual report

2018  
2019

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, terrorist financing and the financing of proliferation of weapons of mass destruction. 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 [www.fatf-gafi.org](http://www.fatf-gafi.org)

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## Abbreviations and acronyms

AML	Anti-money laundering
APG	Asia-Pacific Group on Money Laundering
CFATF	Caribbean Financial Action Task Force
CFT	Countering the financing of terrorism
EAG	Eurasian Group
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	Financial Action Task Force
FSRB	FATF-Style Regional Body
GABAC	Task Force on Money Laundering in Central Africa
GAFILAT	Financial Action Task Force of Latin America
GIABA	Inter Governmental Action Group against Money Laundering in West Africa
GPFI	Global Partnership for Financial Inclusion
ICRG	International Co-operation Review Group
IMF	International Monetary Fund
MENAFATF	Middle East and North Africa Financial Action Task Force
MONEYVAL	Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
OECD	Organisation for Economic Cooperation and Development
SSB	Standard-Setting Bodies
UN	United Nations
UNSCR	United Nations Security Council Resolutions
WMD	Weapons of mass destruction



Marshall Billingslea, United States, FATF President 2018-2019



This report summarises the outcomes of the work of the Financial Action Task Force during the Presidency of Marshall Billingslea of the United States, from 1 July 2018 to 30 June 2019.

During this Plenary year, **countering the financing of terrorism** continued to be a priority for the FATF. Throughout the year, it updated its knowledge of terrorist financing methods and to help countries get the full picture of their terrorist financing risk context so that they can take effective action to mitigate them. The FATF also focused on improving terrorist financing prosecutions, which underpin national and international efforts to combat terrorism.

FATF made significant progress to address the money laundering and terrorist financing risks arising from **virtual assets**. With support from the G20, the FATF set new global standards to prevent the misuse of virtual assets for crime and terror. The FATF also developed guidance to help countries implement these new requirements. In addition to these guidance, the FATF also published five sector-specific risk-based approach guidance papers. This

year, the FATF started work to strengthen the international standards to counter the financing of **proliferation of weapons of mass destruction**. This work will ensure that the FATF's requirements go beyond only sanctions implementation and make a wider range of preventive measures available to the fight against the proliferation of weapons of mass destruction.

The FATF published six **mutual evaluation reports** and the **follow-up reports** of eight of its members. The mutual evaluation process can reveal serious weaknesses in a country's safeguards against money laundering and terrorist financing. FATF continued to its work with the countries it has identified as being **high risk** or that are subject to its **special monitoring process**. This year, the FATF identified five new jurisdictions in this process and removed one countries that had taken sufficient action.

The FATF welcomed two **new members**, Israel and the Kingdom of Saudi Arabia, taking the FATF's membership up to 36 member countries and two regional organisations.



The FATF continued its engagement with the **private sector**, through the private sector consultative forum and the annual FinTech and RegTech forum, to seek their views on the FATF's ongoing work.

This year, Ministers agreed an open-ended **mandate** for the FATF, recognising its role in leading global action to counter money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction, which are all enduring concerns.

During this Plenary year, the FATF celebrated its **30th anniversary**, an occasion to look back at the FATF's achievements. Armed with its new mandate and the experience of the past 30 years, the FATF initiated a **strategic review** of its processes, to ensure that its mutual evaluations are timely, targeted and effective.

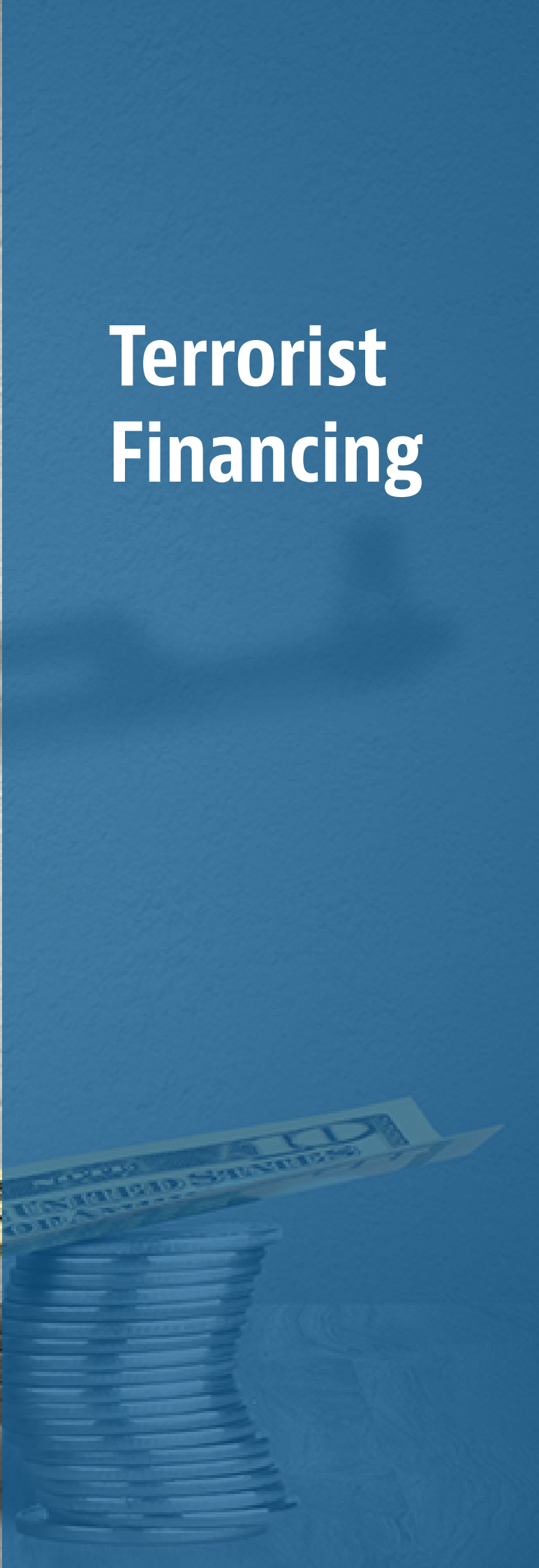


### FATF 30 Years (1989-2019)

This publication retraces the progress the FATF has made since the G7 created the task force on 14 July 1989.

[www.fatf-gafi.org/publications/fatfgeneral/documents/fatf-30.html](http://www.fatf-gafi.org/publications/fatfgeneral/documents/fatf-30.html)

# Terrorist Financing





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It is critical that all States must understand where they may be vulnerable to terrorist financing and then use that understanding to mitigate those risks properly.

FATF President Marshall Billingslea during the United Nations Security Council Open Debate, New York, 28 March 2019

Combating the financing of terrorism continued to be a top priority for the FATF under the U.S. Presidency. Attacks throughout the world were a testimony that the terrorism threat unfortunately continues to evolve and impact our security, democracy and way of life. No country is immune to the threat of terrorism, from violent right-wing extremism to returning terrorist fighters.

Terrorists need funds to sustain their activities such as training, accommodation, travel, recruitment, propaganda and weapons.

Detecting and disrupting terrorism-related financial flows limits terrorists' ability to develop and organise attacks. At the same time, financial transactions leave a trace that can provide crucial information to terrorism-related investigations.

An effective strategy to combat terrorism should therefore include actions to prevent and disrupt its financing.

FATF leads global action to tackle all sources, techniques and channels of terrorist financing. The international community, including the G7 and G20 have regularly publicly acknowledged the FATF's crucial role in ensuring that countries take necessary and effective action and have called for the full and effective implementation of the FATF Recommendations.

Under the U.S. Presidency, the FATF completed work on training on the FATF Standards on CFT, measures to improve their implementation, and guidance to improve counter terrorist financing risk assessments. The FATF also updated its counter-terrorist financing Operational Plan'. Under the new Operational Plan , the FATF agreed to focus its future work on building the ***understanding of terrorist financing risk*** and the ***implementation of the FATF Standards***, in line with the vulnerabilities assessed during the FATF mutual evaluations.

Analysis of the threats around the world demonstrates that some of the jurisdictions with the weakest regimes for combatting terrorist financing also face some of the most severe threats. The FATF agreed to pursue work in future to support jurisdictions in these parts of the world as part of the new Operational Plan.

## Strengthening the understanding of risk

Effective identification and assessment of terrorist financing risks is a fundamental building block for all jurisdictions' counter terrorist financing regimes. Well-developed understanding of risks enables governments to allocate and efficiently target resources to dismantle and disrupt terrorist financing activity.

The FATF has been helping members of its Global Network to share knowledge and assess cross-border terrorist financing threats, and to provide guidance to countries on mechanisms to understand their terrorist financing risks.

### Assessing risks

Despite its loss of territory and significant decrease in revenues, ISIL continues to pose a substantial threat to societies, and still possesses large amounts of funds. The group has also developed new relationships with affiliate terrorist organisations in different parts of the world, sharing knowledge on how to raise funds, and encouraging them to do so locally.

Al-Qaeda and its affiliates demonstrated ability to swiftly adjust their financial strategies to changing reality in the conflict zones in which they operate, benefitting from funds raised through illegal activity and from sympathisers around the world.

The FATF continues to supplement competent authorities' understanding by conducting regular assessments of ISIL, Al-Qaeda and affiliates' financing. This allows governments to better understand the sources of these terrorist organisations' funding and the methods used to move funds across borders.

## Helping countries understand risks

The mutual evaluations conducted across the world to date highlight that some countries find it challenging to get the full picture of the terrorist financing risks that they face. One of the key challenges for identification is that the amounts or values involved in terrorist financing can be small, and can come from

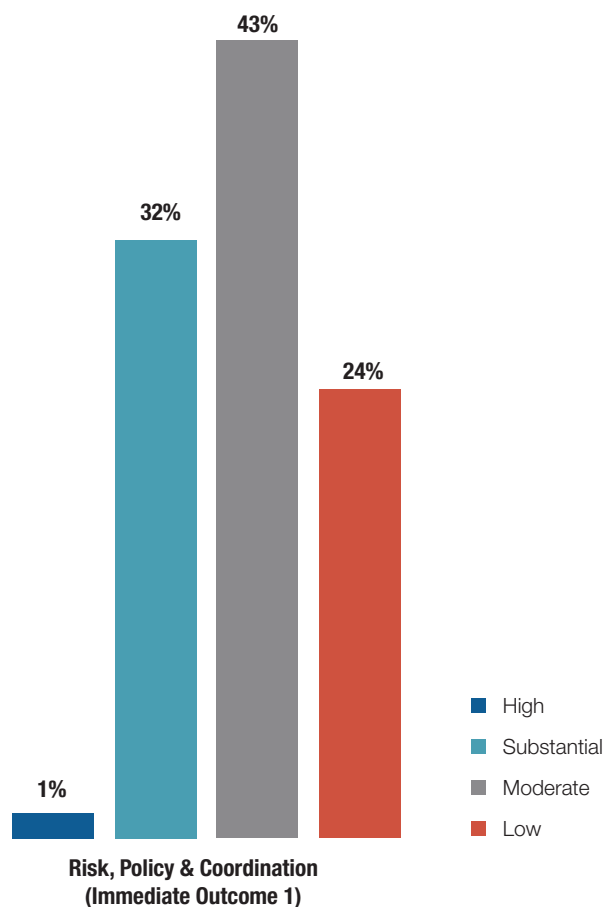
### Effective implementation of FATF Standards - assessing money laundering and terrorist financing risks

*How effective are countries at assessing and understanding the risks they face from terrorist financing as well as money laundering?*

*Do they co-ordinate actions domestically to combat these risks?*

The assessments conducted across the global network show that only a third of countries achieve a high or substantial level of effectiveness.

Based on the published mutual evaluation reports of 75 countries across the global network of members of the FATF and FATF-style regional bodies as at 30 June 2019.



legal, every day legitimate transactions such as car rental or purchasing a kitchen knife.

This year, the FATF published a report that provides guidance for countries on how to assess terrorist financing risks. This Guidance will help, in particular, lower capacity countries with limited terrorist financing expertise, in assessing their risk context.

The report recognises that there is no one-size-fits-all approach when assessing terrorist financing risk. It provides relevant information sources and considerations for different country contexts, such as financial centres or countries with large informal sectors. The report also recognizes that, due to the cross-border nature of terrorist financing, countries with few terrorist incidents may still be subject to financing risks.



The FATF requires each country to identify, assess and understand the terrorist financing risks it faces in order to mitigate them and effectively dismantle and disrupt terrorist networks. Countries often face particular challenges in assessing terrorist financing risks due to the low value of funds or other assets used in many instances, and the wide variety of sectors misused for the purpose of financing terrorism. Drawing on input from over 35 jurisdictions from across the FATF Global Network, this guidance provides relevant information sources and considerations for different country contexts.

This report builds on the FATF's 2013 Guidance on National Money Laundering and Terrorist Financing Risk Assessments and draws on national experiences and lessons learnt in assessing terrorist financing risk from across the FATF Global Network. The FATF has been working with its FATF style regional bodies as well as key technical providers – the IMF and World Bank - to embed good practices described in the report.

[www.fatf-gafi.org/publications/methodsandtrends/documents/terrorist-financing-risk-assessment-guidance.html](http://www.fatf-gafi.org/publications/methodsandtrends/documents/terrorist-financing-risk-assessment-guidance.html)

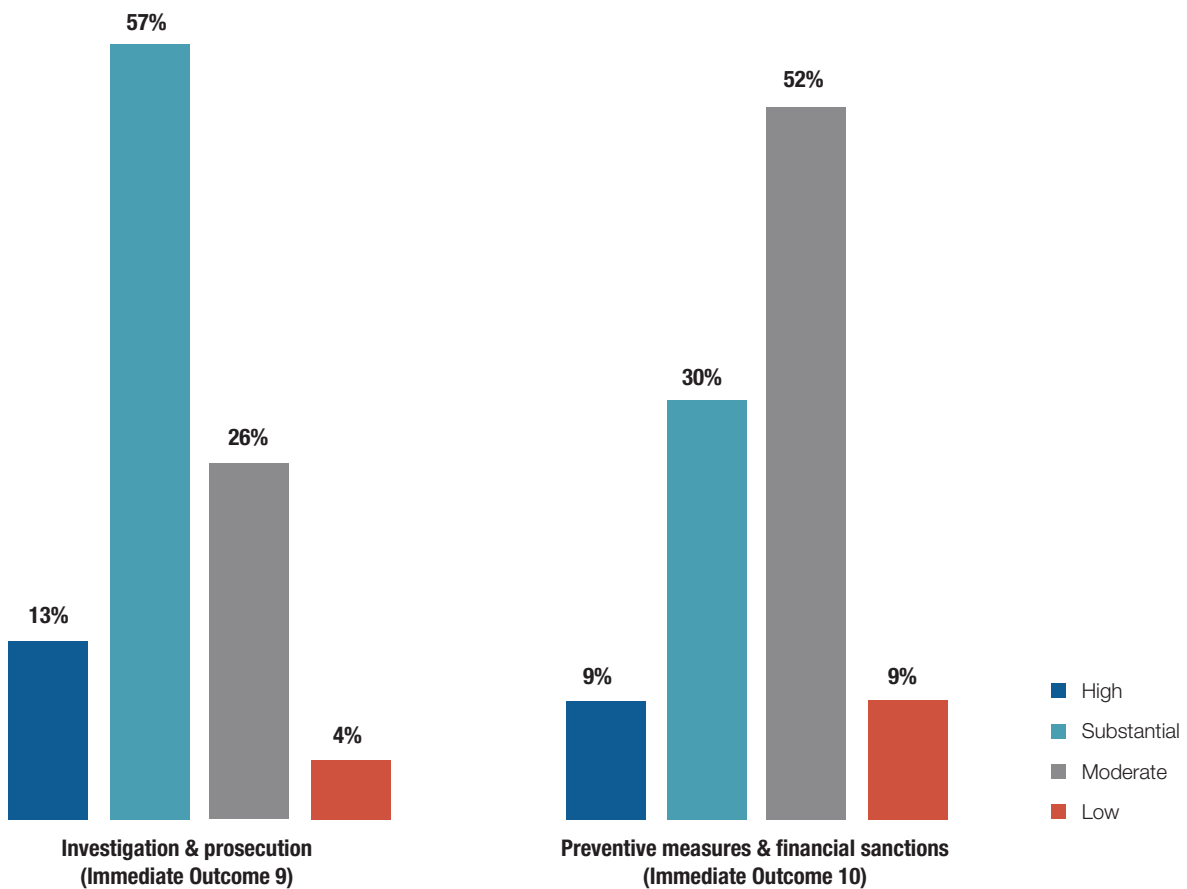
## Enhancing the implementation of the FATF Standards for all jurisdictions.

The FATF Standards provide jurisdictions with a number of powerful tools to counter terrorist financing. Effective implementation of such tools should stop flows of funds into the hands of terrorists, and significantly contribute to broader counter terrorism efforts.

Recognizing that risks and context of each jurisdiction are unique, the FATF continues providing guidance to members of its Global Network addressing various operational challenges.

### Effective implementation of FATF Standards to combat terrorist financing - FATF Members

Based on the mutual evaluation reports of 23 of the FATF member countries published as at 30 June 2019.



As financial flows supporting terrorist activities are extremely hard to detect, in 2018 the FATF produced an internal report on ***terrorist financing disruption strategies***.

The report identifies common patterns of modern terrorist financing schemes and provides some targeted ways in which competent authorities could disrupt them.

Outcomes of the mutual evaluations done within the FATF's Global Network so far show that many jurisdictions continue to experience difficulties with effective investigating and prosecuting terrorist financing.

The FATF also held a global workshop focused on the effective investigation and prosecution of terrorist financing, which should assist practitioners from different legal systems to deal with terrorist financing cases.



This report is one of a series of reports, specifically designed for national authorities involved in the detection, prevention and disruption of terrorist financing.

These reports are available through the lead national government agencies involved in FATF's work.

More information about these agencies on the FATF country pages at : [www.fatf-gafi.org/countries](http://www.fatf-gafi.org/countries)

# FATF Standard embedded in international law

FATF reached a milestone in March 2019 when the United Nations Security Council adopted resolution 2462. This resolution urges all countries to implement the FATF Recommendations, including the standards to assess the specific terrorist financing risks they face.

This resolution, has embedded an FATF Standard in international law.

It requires countries to criminalise terrorist financing for any purpose, even if there is no link to a specific terrorist act.

During his remarks to the United Nations open briefing, FATF President Billingslea emphasised that terrorist financing risks extend beyond the banking or financial sector. States need to identify all sectors— including those of non-financial services such as construction, commodities, and pharmaceuticals—that cases show can be vulnerable to terrorist financing.

New York, 28 March 2019. Raised hands to adopt United Nations Security Council Resolution 2462, which urges all countries to implement the FATF Recommendations and assess the specific terrorist financing risks they face.



# Virtual Assets



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We reaffirm our commitment to applying the recently amended FATF Standards to virtual assets and related providers for anti-money laundering and countering the financing of terrorism.

G20 Finance Ministers and Central Bank Governors Meeting Fukuoka, Japan, June 9, 2019

Virtual assets have developed into one of the most important financial innovations in recent years. They offer many potential benefits, making payments easier, faster and cheaper, and providing an alternative for those who do not have access to the regular financial products.

However, without proper regulation, virtual assets can attract criminals who wish to facilitate or hide their illicit activities. Increasingly, we are seeing examples of the use of virtual assets in criminal activity such as ransomware payments in bitcoin, online sales of drugs or other illicit products against payment in virtual assets. There is an urgent need to establish effective controls to prevent further criminal abuse of the sector.

Countries around the world have responded differently, from regulating this activity to completely prohibiting it. However, the majority of countries have not taken any action. This patchwork of regulatory approaches only increased the risks associated with virtual assets by providing loopholes for criminals and terrorists to exploit.

This year, FATF spearheaded a global effort to establish a consistent and common approach to regulating virtual assets and related activity for AML/CFT purposes. Since its inception, the industry has developed largely unregulated and unsupervised. While this is what attracts many of its users to using virtual assets, it equally attracts criminal use. Regulating this industry is challenging, but leaving it unregulated is not an option. It will end up becoming synonymous with criminal activity which could see it prohibited completely. For the sake of global safety and security and the integrity and growth of the industry itself it is time to establish sound ground rules to ensure that it doesn't become a preferred method of payment for criminals, terrorist and individuals involved in the proliferation of weapons of mass destruction.

With support from the G20, and with significant input from the sector itself, the FATF worked to set standards for virtual assets and virtual asset service providers.

Vienna, May 2019, Private sector representatives and delegates from the FATF Global Network discussed the proposed changes to the FATF Standards to address the money laundering and terrorist financing vulnerabilities of virtual assets and virtual asset service providers.



## Changes to the Standards

In October 2018, FATF Members agreed on binding changes to its Recommendation 15 on New technologies and defined the terms “virtual assets” and “virtual asset service providers”. These changes clearly set out how the FATF Standards apply in the case of virtual assets. This was a milestone. These are the first global standards for virtual assets and, for the first time, there was a global consensus on how to regulate virtual assets. The amendments require countries to manage and mitigate the risks posed by virtual assets and require that exchanges and wallet providers are regulated for AML/CFT purposes.

With a new Recommendation agreed, the FATF continued its work with a focus on providing further guidance for countries and the industry itself on how to implement the new requirements. In June 2019, the FATF developed a binding Interpretive note on the revised Recommendation 15 and guidance with examples of national approaches to regulating and supervising virtual assets and virtual asset service providers. The FATF sought feedback from the private sector on the interpretive note and guidance, in particular through the FATF’s private sector consultative forum in May 2019, hosted by the United Nations Office on Drugs and Crime (UNODC) in Vienna.

The Interpretive Note to Recommendation 15 sets out how countries must regulate and supervise virtual assets and virtual asset service providers and the actions the industry must take to prevent their misuse for money laundering and terrorist financing.

Virtual assets should be treated as “funds”, “proceeds” or “property”. FATF Recommendations that refer to these or other value-based terms, apply to virtual assets. In practice, this means that many of the FATF’s requirements that apply to fiat currency, also apply to virtual assets. Countries should therefore consider money laundering or terrorist financing using virtual assets as a criminal offence. Similarly, they should extend sanctions or asset freezing in the context of terrorist or proliferation financing to virtual assets.

The Interpretive Note provides guidance to both regulators and supervisors, and the private sector. For regulators and supervisors, it explains the need to understand the risks facing the sector and to take appropriate steps to mitigate them. It requires countries to license and/or register providers. Countries must ensure adequate regulation and supervision by a competent authority, not a self-regulatory body such as an association of sector members. They should also ensure that there is a range of criminal, civil and/or administrative measures to deal with providers that do not comply with the AML/CFT requirements.

For the industry itself, the Interpretive Note explains that they must apply all of the measures that apply to the financial industry such as customer due diligence for transactions over USD/EUR 1 000, record-keeping, customer transaction monitoring and report of suspicious transactions. It explains the need to obtain and transmit the information about the originator and beneficiary swiftly, but securely.

In addition to the binding FATF Recommendations and Interpretive Notes, the FATF also published non-binding guidance which provides further clarification and examples of national approaches to regulating and supervising the virtual asset activities and service providers. The guidance, which benefited from input from the private sector will help countries and the industry itself, implement the FATF's requirements.

When the FATF adopted its Interpretive Note and Guidance in June 2019, the FATF delivered on its commitment to member governments and the G20, as well as the private sector, to develop and clarify the FATF's requirement with respect to virtual asset activities and virtual asset service providers. G20 Leaders, following their summit in Osaka in June 2019 reaffirmed their 'commitment to applying the recently amended FATF Standards to virtual assets and related providers for anti-money laundering and countering the financing of terrorism. We welcome the adoption of the Financial Action Task Force (FATF) Interpretive Note and Guidance.'

## Why not crypto currency or virtual currency?

*Different terminologies exist that all appear to describe the same products or its industry. FATF has adopted the term "virtual assets" and "virtual asset service providers" in its Standards which has since been used by the industry itself.*

*"Virtual" refers to the digital representation of value that can be digitally traded, transferred, used for payment or investment purposes. This encompasses convertible, non-convertible, centralised and decentralised forms and Initial Coin Offerings. The term virtual assets includes but is broader than crypto-assets.*

*"Asset" clarifies that this is not legal tender or a reliable means of exchange.*

## Virtual assets and Virtual Asset Service Providers *October 2018*

Countries are required to assess and mitigate their risks associated with virtual asset financial activities and providers; license or register providers and subject them to supervision or monitoring by competent national authorities. Virtual asset service providers are subject to the same relevant FATF measures that apply to financial institutions. The guidance addresses the following:

This guidance will help countries and virtual asset service providers understand their anti-money laundering and counter-terrorist financing obligations, and effectively implement the FATF's requirements as they apply to this sector.

[www.fatf-gafi.org/publications/methodsandtrends/documents/guidance-rba-virtual-assets.html](http://www.fatf-gafi.org/publications/methodsandtrends/documents/guidance-rba-virtual-assets.html)

FATF



GUIDANCE FOR A RISK-BASED APPROACH

## VIRTUAL ASSETS AND VIRTUAL ASSET SERVICE PROVIDERS



# Who do the FATF Standards apply to?

## 205 countries & jurisdictions

have committed to implement the FATF rules and prevent the misuse of virtual assets for **money laundering & terrorist financing**

### National Supervisors

must license, register and supervise each virtual asset server provider



### Virtual asset service providers

...must know who their customers are, keep records, and report transactions when they suspect money laundering or terrorist financing



...must securely & confidentially transmit customer information when sending a payment to another virtual asset service provider



### Customers'

...identity will remain private, except to the virtual asset service providers processing their payment



There is more work to be done.

Countries need to **transpose** the new binding requirements into their national legal, regulatory and operational framework.

They need to develop the **capacity** and expertise to license, register and supervise an industry that many will be quite unfamiliar with.

The virtual asset sector itself needs to develop **internal policy and procedures** to meet AML/CFT requirements, this includes a means to securely transmit originator and beneficiary information between virtual asset service providers.

The effective global implementation of these standards by all countries will ensure virtual asset technologies and businesses can continue to grow and innovate in a responsible way, and it will create a level playing field. It will prevent criminals or terrorists seeking out and exploiting jurisdictions with weak or no supervision.

## Next steps

The application of these new requirements will be challenging, for both the countries and the industry itself. This will take time, and require a collaborative partnership between the public and private sector. By working together, they can prevent criminals and terrorists from misusing virtual assets and virtual asset service providers, without stifling innovation in the industry.

It is up to the sector itself to develop the technology to meet the FATF's requirements, particularly when it comes to securely collecting and transmitting originator and beneficiary information. Through a Contact Group, the FATF will continue to monitor developments in this area.

Now that the FATF has strengthened its standards to address virtual assets and virtual asset service providers, it must focus on assessing how well countries have implemented them. The FATF will finalise and adopt revisions to its assessment methodology in October 2019. After that date, countries must be able to demonstrate that they have understood the money laundering and terrorist financing risks they face from the virtual assets industry, that they are effectively regulating and supervising them and that they sector itself is applying a full set of preventive measures.



Osaka, 28 June 2019. Less than a week after the adoption of the Interpretive Note and guidance, the FATF set the tone for future collaboration with the virtual asset sector when it attended the V20. During this event, organised by a number of major representatives from the industry, FATF's Tom Neylan discussed the regulatory challenges of FATF's latest requirements.



# Proliferation Financing



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The United Nations Security Council has long recognized the threat posed to international security by the proliferation of weapons of mass destruction and specifically noted in 2016 the need for more attention to counter-proliferation financing measures.

United States Presidency Priorities for the Financial Action Task Force  
2018-2019

The proliferation of weapons of mass destruction (WMD) by countries such as Iran and North Korea is an extreme threat to international peace and security. The proliferation of WMD requires extensive financial networks, to procure the technologies and materials required.

Focusing on the financing is an effective way of identifying and disrupting proliferation networks and preventing countries from developing weapons capable of harming a large number of humans, destroy essential infrastructure and cause long-lasting damage to the biosphere.

Financial intelligence can provide advance warnings of attempts to transfer sensitive goods and materials needed to develop the WMD. Financial transactions can allow investigators to map proliferation networks and the facilitators involved in supporting them.

When applied effectively, financial measures can reduce a proliferation network's ability to access the materials it needs to develop weapons of mass destruction.

When the FATF comprehensively revised its standards in 2012, it included measures to reinforce implementation of UN Targeted Financial Sanctions on Iran and North Korea to tackle illicit proliferation-financing activity. However, these measures are focused on sanctions implementation, and do not make use of the wider tools the FATF Recommendations include for countering money laundering and terrorist financing. Under the U.S. Presidency, the FATF started work to close this gap.

The FATF has reviewed a comprehensive range of options for strengthening the international standards to counter the financing of proliferation and, in June 2019, agreed to pursue work on applying a risk-based approach in this area.

As part of this work, FATF will consider strengthening its standards to require jurisdictions and private sector entities to understand their risks of proliferation financing, for example through sanctions evasion, and take appropriate steps to mitigate those risks. FATF will also work on enhanced requirements for domestic cooperation and coordination on proliferation financing.





FATF

MINISTERIAL  
MEETING

# Streamlining the FATF for the Future



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We – the Ministers of the FATF – reaffirm the role of the FATF as the global standard-setter for combatting money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction.

Declaration of the Ministers of the Financial Action Task Force, Washington, 12 April 2019

The organisation passed an important milestone in April 2019.

FATF Ministers unanimously decided to give the FATF a new, open-ended mandate after three decades of operation under a time-bound mandate.

### **a new, open-ended mandate**

Money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction are enduring concerns. The new mandate recognises FATF’s role in leading global action and ensuring a sustained political commitment to fight these threats to safety, security and the integrity of the global financial system.

### **regular Ministerial meetings**

FATF Ministers were unanimous in their support for the FATF’s important contribution to stop criminals and terrorists from abusing the financial system for their illicit acts. They agreed that FATF’s work would benefit from greater ministerial engagement and support. Regular meetings at Ministerial meetings will allow them to discuss strategic issues and to take stock of FATF’s progress and they agreed to meet every two years, starting 2022.

## two-year terms

Ministers supported strengthening the role and extending the terms of the FATF President and Vice-President to a two-year period. This will raise the FATF's profile and visibility on the global stage in order to promote effective implementation of the FATF Standards throughout the world.



Washington DC, 12 April 2019, FATF Ministerial, from right: Steven Mnuchin , U.S. Secretary of the Treasury and Marshall Billingslea, FATF President (2018-2019).

The new mandate has led the FATF into a new phase, which was an impetus for the FATF to launch a strategic review of its own processes. With support from the G20, the FATF is examining the progress it has made on improving countries' effective response to tackle money laundering and terrorist financing. It is taking a close look at the mutual evaluation and follow up process that it has developed over the years. FATF delegates will ask themselves the tough question whether

these processes are still the most optimal to ensure that FATF's work is timely, targeted and effective.

During this process, the FATF will identify areas for positive change to make its work more effective and to ensure that countries are more effective in stopping criminals from benefiting from the proceeds of crimes and preventing the terrorists from getting the funds they need to carry out their heinous acts.

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FATF is a dynamic, agile, and enduring body that continues to take concrete steps to harden the international financial system, as criminals, terrorists, and rogue nations actively attempt to exploit any weak links.

I am pleased that we decided today on a permanent mandate for the FATF, and that we gave further focus on its work against terrorist and proliferation finance.

Steven Mnuchin, u.s. Secretary of the Treasury



# Risks, Trends & Methods



To avoid detection, criminals and terrorists adapt how they raise, move and launder money or fund terrorist attacks.

One of the FATF's responsibilities is to continuously monitor new and developing methods and trends, serving as a focal point for expertise on operational matters.

Through this process, the FATF raises awareness with competent authorities, law enforcement but also the private sector about new money laundering or terrorist financing risks they may face. This research also provides valuable information on whether the FATF Standards continue to provide countries with the legal, regulatory and operational basis to tackle the money laundering and terrorist financing risks they face.

The FATF held a series of meetings of Heads of FATF Intelligence Units (FIU), producing reports on strategic analysis, FIU operational independence, and the FIU's roles in countering proliferation financing. The FATF's working group meetings, brought together experts from law enforcement agencies – from customs authorities, to counter terrorism specialists - to discuss a range of operational challenges – from the benefits of public-private partnerships to the challenges associated with specific cases involving misuse of virtual assets.

It also held its annual joint experts meeting, with operational experts from countries around the world, and held a global workshop on improving the prosecution of terrorist financing.

As a result of the discussions on the evolving money laundering and terrorist financing threats arising from the misuse of virtual assets, the FATF concluded a ***Guidance on financial investigations involving virtual assets*** in 2019. Virtual assets have many benefits, but they also have unique characteristics that make them appealing to criminals or terrorists to collect assets outside the regulated financial system. These same characteristics can help dissimulate the origin or recipient of the fund and frustrate financial investigations.

The FATF guidance will assist authorities to improve the detection, investigation and confiscation of virtual assets involved in serious financial crimes. It provides ideas, concepts and examples of good practices to consider (for more information on FATF's work on virtual assets, see page 16).



This guidance is one of a series of reports, specifically designed for national authorities involved in the detection, prevention and prosecution of money laundering and terrorist financing.

These reports are available through the lead national government agencies involved in FATF's work.

More information about these agencies on the FATF country pages at : [www.fatf-gafi.org/countries](http://www.fatf-gafi.org/countries)

## Joint Experts' Meeting

The annual *Joint Experts' Meeting* is an important event that brings together operational experts to discuss current and emerging money laundering and terrorist financing risks.

The Israeli government hosted this year's event in Tel Aviv on 25-26 March. Organised jointly with regional body MONEVYAL, the event brought together over 300 delegates representing 63 jurisdictions from across the FATF Global Network as well as other bodies such as the International Monetary Fund (IMF), the United Nations and the World Bank.

During this three-day operational forum, participants discussed the preliminary findings of FATF's ongoing work in identifying and

understanding new risks to the financial system, including on improving countries' assessment of the terrorist financing risks they face. Participants also discussed the new technologies beginning to be used to understand terrorist financing and money laundering.

During her opening address, the Minister of Justice of Israel, Ayelet Shaked, welcomed the opportunity for Israel to host this particular *Joint Experts' Meeting*, which focused on extremely contemporary and relevant global challenges: terror financing, virtual assets, and asset recovery, which are all of major international importance.

Minister of Justice of Israel, Ayelet Shaked



## Terrorist Financing Prosecution Workshop

The *Terrorist Financing Prosecution Workshop* that took place immediately following the *Joint Expert's meeting* focused on improving the prosecution of terrorist financing.

The successful prosecution of those involved in terrorist financing is an essential component of counter-terrorist financing efforts. However, FATF's assessments shown that many countries have faced challenges in prosecuting terrorist financing activity.

One of the priorities of the FATF under the United States Presidency's was to improve countries' capacity to successfully prosecute terrorist financing cases.

This terrorist financing prosecution workshop brought together over 160 officials, including many judges and prosecutors,

from 57 jurisdictions, and international organisations.

The discussions built on the June 2018 FATF President's Paper – *Anti-money laundering and counter terrorist financing for judges and prosecutors*.

Participants at the FATF / MONEYVAL Joint Experts' Meeting and Terrorist Financing Prosecution Workshop held in Tel Aviv, Israel from 25 to 27 March 2019.







# Setting the International Standards

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We welcome FATF's commitment to monitor the risks and opportunities of financial innovation, and to **ensure the FATF Standards remain relevant and responsive.**

G20 Finance Ministers and Central Bank Governors Meeting Fukuoka, Japan, June 9, 2019

For three decades, the FATF Recommendations have provided countries with a robust set of measures to disrupt organised crime by going after proceeds of drug trade, human trafficking and other serious crimes. FATF's measures also enable countries to disrupt the financial flows that support terrorism and the proliferation of weapons of mass destruction.

Throughout the three decades, the FATF has worked to ensure that these measures, *the FATF Recommendations*, continue to provide the strongest possible response to the new and emerging money laundering and proliferation and terrorist financing risks.


The *FATF Recommendations* set out a comprehensive and consistent framework of measures which countries should implement in order to combat money laundering and the financing of terrorism and proliferation of weapons of mass destruction. The *FATF Recommendations*, are international standards, which countries should implement through measures adapted to their particular circumstances.

[www.fatf-gafi.org/recommendations](http://www.fatf-gafi.org/recommendations)



INTERNATIONAL STANDARDS  
ON COMBATING MONEY LAUNDERING  
AND THE FINANCING OF  
TERRORISM & PROLIFERATION

**The FATF Recommendations**



**Sifting through the transaction data is a task that is no longer humanly possible.**

## Financial Innovation

Digital innovation continues to radically change many aspects of our lives, including how we handle financial transactions.

This year, with the support from the G20, the FATF focused on the potential money laundering and terrorist financing risks associated with virtual assets.

The ability to conduct international transactions without the constraints of exchange rates and bank fees or even access to a traditional bank account is a positive feature of this payment product. At the same time, its anonymity, speed and lack of regulatory oversight also attracts criminals who look to it as a means to launder the proceeds of their crimes, including from 'new' crimes such as ransomware attacks.

Now that transactions are easier, faster and cheaper, thanks to innovation, the number of financial transactions is increasing in volume.

**876 billion**

In 2016, there were 482 billion non-cash transactions around the world. Research predicts that by 2021, this may have almost doubled to around 876 billion.

**non-cash transactions  
yearly by 2021**

Identifying suspicious transactions with possible links to crime and terror was already a challenge, often described as 'looking for a needle in a haystack'. That haystack is taking on monstrous proportions and growing by the day. Sifting through the transaction data is a task that is no longer humanly possible.

When appropriately used, technology can help identify possible money laundering and terrorist financing activity. **Machine learning and smarter screening can detect patterns and anomalies that a human might miss.** Correctly harnessing technology can make both financial institutions and government authorities become more effective in their efforts to tackle money laundering and terrorist financing.



**Digital Identity (ID)** has the potential to enhance financial inclusion and reduce the cost of customer on-boarding, but it can also help manage the risk of money laundering and terrorist financing. Innovation in technology has now advanced to a stage where reliable, digital ID solutions are widely available, such as biometric technology (including fingerprints), digital device identifiers, scanners etc.

This year, the FATF started work on a Guidance to clarify the application of the FATF Recommendations on customer due diligence in a digital ID context. The guidance will consider endorsement by national authorities as a key test for the acceptability of digital ID. It will focus mainly on the reliability and independence features of digital IDs that are not issued on the basis of a process that is agreed, regulated or supervised by a national authority. Further, the guidance will consider and describe potential risks as well as opportunities for their mitigation in the context of digital IDs.

The FATF continues to monitor the risks as well as the opportunities of financial innovations. The annual FinTech and RegTech Forum, this year organised with the Eurasian Group (EAG), provides an excellent opportunity for dialogue between government officials and the private sector. During this year's event in Hangzhou, China, participants discussed the challenges of digital identity. They also discussed how technologies such as artificial intelligence can contribute to anti-money laundering and counter terrorist financing compliance, risk assessment and management.

Hangzhou China, September 2018. Participants from the FinTech and RegTech sectors, financial institutions, and FATF Members, associate members and observers discussed a range of issues to support innovation in financial services, while addressing the regulatory and supervisory challenges emerging technologies can pose.



## The risk-based approach to countering money laundering and terrorist financing

The risk-based approach is central to the FATF Recommendations. Every country is unique, and so is its risk context. Factors such as geographical location, the size of the country's financial sector and the nature of the most important economic activities all contribute to the overall risk context. To take effective action against money laundering and terrorist financing, it is necessary to understand exactly how and where criminals and terrorists might misuse available services and gain access to the global financial systems. The risk-based approach requires countries as well as the private sector and their supervisors, to identify, assess and understand the risks they face. It ensures that their focus is on the areas where the risks are highest.

Implementing the risk-based approach can be challenging, which is why the FATF has developed a series of sector-specific guidance

which will help the sector, and its supervisors take the necessary action.

This year, in addition to the **Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers** (see page 16) the FATF updated five risk-based approach guidance papers.

The FATF developed each guidance with significant input from the private sector, including through the input received at the private sector consultative forum and through a public consultation. Using examples drawn from the experiences of the global network members, each guidance aims to support the design and implementation of the risk-based approach for the sector, taking into account the national risk assessments, and legal and regulatory frameworks to combat money laundering and terrorist financing.



### Securities Sector *October 2018*

Some of the characteristics of securities sectors, such as a high level of interaction, high volumes, speed and anonymity may create opportunities for criminals to launder the proceeds of crime. Each of the activities and services offered by the securities sector participants presents different money laundering and terrorist financing risks.

FATF developed guidance that highlights some of these risks depending on the securities products and services involved and the measures to be put in place to mitigate such vulnerabilities.

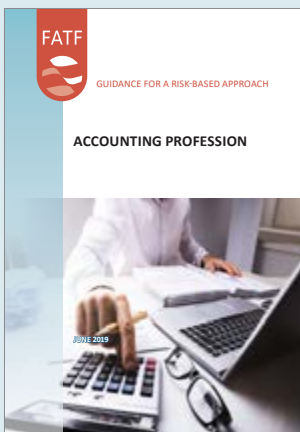
[www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-securities-sector.html](http://www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-securities-sector.html)



## Life Insurance Sector - October 2018

As with other financial services products, there is a risk that the funds used to purchase life insurance may be the proceeds of crime. There is also a risk, even limited, that funds withdrawn from life insurance contracts could be used to fund terrorism. The Guidance seeks to support the design and implementation of the risk-based approach for the life insurance sector, taking into account national ML/TF risk assessments and legal and regulatory frameworks to combat money laundering and terrorist financing.

[www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-life-insurance-sector.html](http://www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-life-insurance-sector.html)



## Accounting Profession June 2019

The legally required services that accountants provide make them vulnerable to become unwittingly involved or accessory to money laundering or terrorist financing activities. Recent FATF research highlighted examples of accountants that had used their occupation, business infrastructure and knowledge to facilitate money laundering for criminal clients. This guidance highlights the need for a sound assessment of the money laundering and terrorist financing risks that accountants face so that the policies, procedures and ongoing customer due diligence measures mitigate these risks.

[www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-securities-sector.html](http://www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-securities-sector.html)

## Legal Professionals June 2019


Ranging from sole practitioners to multi-national firms, legal professionals provide a vast range of services. Given the diversity in scale and activities, some legal professions may be more vulnerable to being exploited for money laundering and terrorist financing than others. The guidance explains the obligation for legal professionals to identify and verify beneficial ownership information.

[www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-legal-professionals.html](http://www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-legal-professionals.html)

## Trust and Company Service Providers June 2019

Criminals may seek the services of trust and company service providers to help them retain control of proceeds of their crimes, while disguising the origin and ownership of these assets. Through the creation of shell companies or trusts, they can conceal their ownership and create a veneer of legitimacy. The guidance aims to support trust and company service providers in the design of effective measure to manage their money laundering and terrorist financing risks, when establishing or maintaining business relationships. In particular, it explains the obligation to identify and verify beneficial ownership information and provides examples of simplified, standard and enhanced CDD measures.

[www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-trust-company-service-providers.html](http://www.fatf-gafi.org/publications/fatfrecommendations/documents/rba-trust-company-service-providers.html)



# Mutual Evaluations

Each of the 205 members of the FATF Global Network has committed to implement the FATF Recommendations.

Each of the 205 members of the FATF Global Network has committed to implement the FATF Recommendations. This means they must adopt the necessary laws, regulations and establish the operational framework to effectively detect, prevent and punish money laundering and the financing of terrorism and proliferation of weapons of mass destruction. This is more than a tick-box exercise. Countries must ensure that their anti-money laundering and counter-terrorist (AML/CFT) financing framework delivers the right results.

This starts with the risk assessment. Countries must identify, understand and assess the money laundering and terrorist financing risk they face. This is a crucial step, because each country is unique and so is its risk context. A range of factors, from geographic location to size of their financial sector, will have an impact on whether or not a country attracts criminals, terrorists or rogue states. Once a country has identified its own risk and context, it can ensure that it has the right safeguards in place, in particular in the areas where the risks are highest.

Through its mutual evaluation process, the FATF assesses the actions that each country has taken to prevent criminals and terrorist from misusing the financial system, and detect and punish those that do. UN Security Council Resolution 2462, adopted in March 2019, reaffirms the important role of the FATF, urging all countries to implement the FATF Recommendations and specifically requiring countries to criminalise terrorist financing in line with the FATF Standards.

Similarly, G20 has continued to call for the swift and effective implementation of the FATF Standards worldwide.

Each assessment looks at whether a country has implemented the requirements set out in the FATF Recommendations and whether their actions achieve the outcomes expected from an effective AML/CFT framework. Each mutual evaluation provides an in-depth analysis of the full range of measures that a country has taken as at the time of the on-site visit.

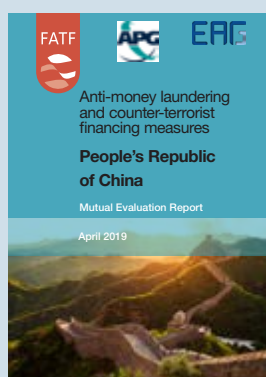
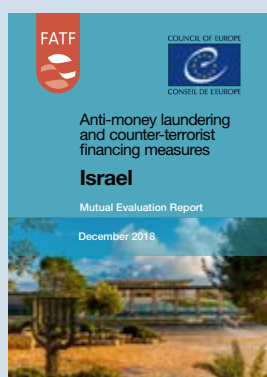
The FATF rates the country for technical compliance with each of the 40 Recommendations and for effectiveness on each of the 11 Immediate Outcomes. This Plenary year, the FATF published six mutual evaluation reports.

## Published mutual evaluation reports



*September 2018*  
Kingdom of Bahrain and the Kingdom of Saudi Arabia (both jointly with MENAFATF)

*December 2018*  
Israel (jointly with MONEYVAL) and the United Kingdom.



*April 2019*  
People's Republic of China (jointly with APG and EAG) and Finland

These, and other mutual evaluations, available at: [www.fatf-gafi.org/publications/mutualevaluations/](http://www.fatf-gafi.org/publications/mutualevaluations/)

A country's mutual evaluation report is more than a report card. It provides each country with detailed recommendations for the issues that it must address in priority. Following the assessment, the country can start working on addressing these weaknesses. The country will report back to the FATF on the actions it has taken to strengthen its AML/CFT framework and if it considers that it has made

sufficient progress, can request a re-rating for technical compliance with one of the 40 Recommendations.

This year, 8 of the FATF's members received between 2 to 13 upgrades for technical compliance with the FATF Recommendations.

## Published follow-up reports



*July 2018*  
Sweden - since 2017  
10 upgrades



*September 2018*  
Belgium - since 2015  
13 upgrades



*October 2018*  
Malaysia - since 2015  
2 upgrades



*November 2018*  
Australia - since 2015  
5 upgrades



*November 2018*  
Austria - since 2016  
2 upgrades



*November 2018*  
Denmark - since 2017  
9 upgrades



*March 2019*  
Italy - since 2016  
8 upgrades

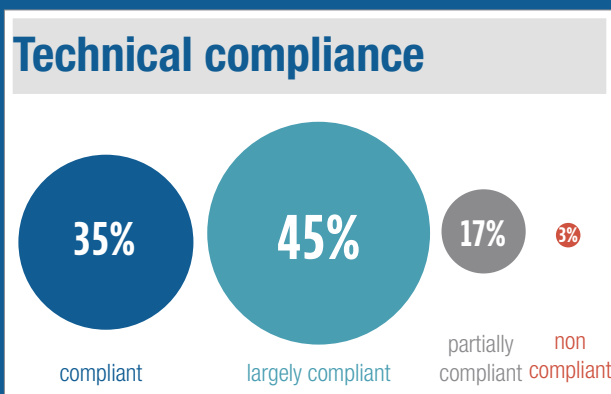
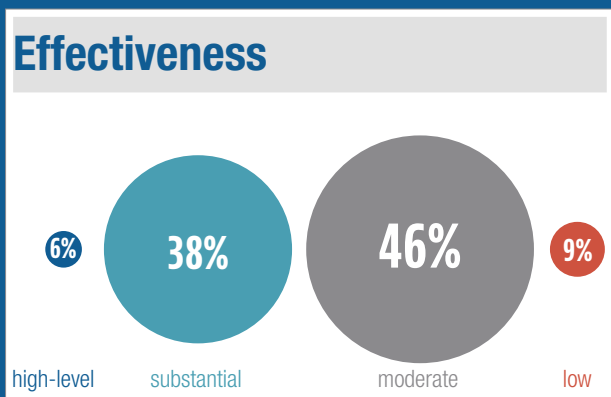


*March 2019*  
Norway - since 2014  
13 upgrades

These, and other follow-up reports, available at: [www.fatf-gafi.org/publications/mutualevaluations/](http://www.fatf-gafi.org/publications/mutualevaluations/)

## Effectiveness and technical compliance of FATF Members

Based on the mutual evaluation and follow-up reports for 23 of the 27 FATF member countries published as at 30 June 2019.



The FATF regularly adjusts its Recommendations, to respond to the evolving money laundering and terrorist financing risks or to clarify and refine specific requirements. As a result, countries must refine their own AML/CFT framework to ensure that they meet these new requirements. Each follow-up report therefore also looks at whether the country has implemented the requirements of FATF Recommendations that have changed since their original mutual evaluation. For each of these Recommendations, the report indicates whether the original rating is maintained or whether it is up- or downgraded.

By the end of the 2018-2019 Plenary year, the FATF published the mutual evaluation reports of 23 of its 37 member countries.

The reports demonstrate that after three decades, countries have generally established a sound framework of laws, regulations and necessary operational agencies. 80% of the ratings for technical compliance on the 40 Recommendations for these 23 member countries have been either compliant or largely compliant. However, in terms of effectiveness, it is clear that there are still some challenges.

Across the 11 immediate outcomes, only 44% of the ratings were for a high level or substantial level of effectiveness. Under the next Presidency, the FATF will focus on one of these areas: the supervision of financial institutions and designated non-financial institutions and professions to ensure that they meet their AML/CFT obligations.





## Follow-up assessment

As per the FATF's procedures, five years after a country's mutual evaluation, the FATF conducts a follow-up assessment. While the follow-up reports only look at a country's technical compliance with the 40 Recommendations, the follow-up assessments focus on effectiveness. A follow-up assessment will look primarily at the areas where a country achieved a low or moderate level of effectiveness in areas of high risk or materiality. The report will highlight whether a country has taken on board the FATF's priority and recommended actions and has become more effective at detecting, preventing and punishing misuse of the financial system.

This year, the follow-up assessments of Spain and Norway commenced with an on-site visit to each country. The mutual evaluation reports for both countries were published in December 2014, the first assessments to be completed during the current mutual evaluation cycle. The Plenary will discuss the conclusions from their follow-up assessment at its October 2019 Plenary. The follow-up assessment can result in a re-rating for effectiveness on one of the immediate outcomes.

## Follow-up from the third round of mutual evaluation of Brazil

Each member of the FATF has committed to endorse and fully implement the FATF Recommendations, using guidance and other policy endorsed by the FATF where appropriate.

Brazil has been a member of the FATF since 2000. In their third round mutual evaluation, the FATF identified some serious shortcomings to the country's AML/CFT framework, in particular the criminalisation of terrorist financing. Since then, the FATF has repeatedly called on the country to take action to address these weaknesses, specifically, in June 2016, October 2016, February 2017, June 2017, November 2017 and June 2018. In June 2018, the FATF Plenary decided that Brazil's failure to meet the deadlines in its action plan was now a membership issue for the FATF to consider at its February 2019 meeting. On 20 February, a few days before this meeting, Brazil passed a new targeted financial sanctions law. As the FATF did not have the opportunity to review this new legislation prior to its meeting, it acknowledged the new legislation, which it would review prior to the June 2019. Decree no.9.825, which aims to address Brazil's remaining shortcomings for identifying and freezing terrorist assets, entered into force on 8 June 2019.

The FATF will review the Decree for compliance with the FATF Standards. However, due to the seriousness of the deficiencies identified and the length of time since the deficiencies were first identified, the FATF continues to view this as a membership issue for FATF to consider in October 2019.

## Revisions to the assessment methodology

The FATF conducts its assessments on the basis of the Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems. The methodology also forms the basis for the assessments conducted by the nine FATF-style regional bodies, the IMF or the World Bank.

As the FATF regularly refines or strengthens the FATF Recommendations, it must also periodically amend the Methodology to adjust how it assesses compliance with these revised FATF requirements. This Plenary year, the FATF clarified the need for compatibility of AML/CFT requirements and data protection and privacy rules. FATF also clarified how to take into consideration the risk, context of the country being assessed and the relative importance of the different sectors of financial institutions and designated non-financial businesses and professions.

A large orange diamond-shaped sign with a black border is mounted on a metal post. The background is a dramatic sunset sky with orange and blue hues. The sign is positioned on the left side of the page, and its right edge overlaps with a solid blue vertical bar that contains the title text.

# High-Risk and Other Monitored Jurisdictions

“

We will continue to hold to account jurisdictions that fail to adequately implement the FATF Standards and encourage action to protect the financial system, while working with these countries to address their deficiencies.

Declaration of the Ministers of the Financial Action Task Force,  
Washington, 12 April 2019

Countries that fail to implement sound and effective safeguards against money laundering and terrorist financing pose a real risk to the financial system and the security of citizens around the world.

Weak anti-money laundering and counter-terrorist financing measures can allow criminals to launder the proceeds from their illicit activities and increase their capacity to carry out criminal activities. In a country with weak safeguards, there is also a greater risk that terrorists can get access to the financial system to raise, move and use funds to organise and carry out terrorist attacks.

The global financial system is only as strong as its weakest link, but this is not just about the financial system. Allowing criminals, terrorists from misusing the systems to organise, finance and strengthen their illegal activities can have a significant impact on the safety and security of innocent citizens.

A key objective of the FATF is to continuously

identify jurisdictions whose weak anti-money laundering and counter-terrorist financing framework poses a risk to the integrity of the international financial system.

The public identification of high-risk jurisdictions serves as a warning to other countries and their financial sectors about the risks emanating from these jurisdictions. Through the International Co-operation Review Group (ICRG), the FATF works with these countries to address the identified weaknesses. It closely monitors the progress made by identified jurisdictions and reflects this in FATF's public statements at the end of each Plenary meeting.

This Plenary year, the FATF added Bahamas, Botswana, Cambodia, Ghana and Panama to its monitored jurisdictions. Each country has committed to an action plan which it is implementing and reports to the FATF on the progress it has made.

This process has proven very successful. Since the start of ICRG's process in June 2007, the FATF reviewed over 80 countries and publicly identified 70 of them. Of these 70, 56 have since taken the necessary steps to address their deficiencies.

**56 jurisdictions**  
have addressed serious anti-  
money laundering & counter-  
terrorist financing weaknesses  
since 2007



One of the countries that took the necessary steps to close significant loopholes is Serbia. The MONEYVAL assessment of the country's measures to combat money laundering and terrorist financing identified a number of serious deficiencies.

In February 2018, Serbia made a high-level commitment to address these deficiencies. The country worked to implement its action plan which covered objectives such as updating the national risk assessment to develop a better understanding of risk, and ensuring that terrorists' assets can be frozen without delay.

In June 2019, the FATF recognised the country's significant progress and announced that the country is no longer under FATF monitoring. In less than two years, Serbia, was able to significantly strengthen the effectiveness of its AML/CFT regime.

Serbia's example is not unique. Indeed, the public identification, or sometimes even the prospect of publication identification, is a powerful and effective tool to generate the necessary political commitment to drive through the required reforms.

The reputational risk for a country that fails to take the necessary action is significant. Regulators around the world seek to limit their exposure to funds with links to crime or terror. They look toward the FATF to identify the countries that pose a risk. To reduce the risk, they will impose additional requirements on transactions involving high-risk or other

monitored jurisdictions, they may even limit or stop transactions all together.

For a country that finds itself at the centre of such restrictions from international trading partners, the consequences can be dramatic. FATF's public identification can have a significant impact in the country's position in the global economy.

## Democratic Republic of Korea

In June 2019, the FATF reaffirmed its 25 February 2011 call on its members and urged all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the Democratic Republic of Korea (DPRK), including DPRK companies, financial institutions, and those acting on their behalf.

In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective countermeasures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/FT/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate

correspondent relationships with DPRK banks, where required by relevant UNSC resolutions.

Despite an initial engagement with the FATF following the FATF's November 2012 public statement, the country has not addressed the significant deficiencies in its AML/CFT regime and the FATF has consistently reaffirmed its February 2011 warning about transactions involving DPRK. In addition, the FATF issued a public statement in November 2017 about the proliferation financing risk emanating from DPRK, stressing global obligations and the importance of robust implementation of the FATF Standards and relevant UN Security Council resolutions.

DPRK has failed to act on FATF's public warnings and the FATF remains concerned by the serious threats the country's weak AML/CFT measures pose to the integrity of the international financial system. The FATF urges

the DPRK to immediately and meaningfully address its AML/CFT deficiencies.

Further, as indicated in the FATF's June 2019 public statement, the FATF has serious concerns with the threat posed by the DPRK's

illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

## Iran

Since 2008, the FATF has issued public warnings about the serious risks emanating from the deficiencies in its AML/CFT measures. In June 2016, Iran provided a high-level commitment to address these deficiencies and established an action plan with the FATF. The country also sought technical assistance to help it implement its action plan. FATF welcomed these steps and suspended the countermeasures it had called for since 2008.

In November 2017, Iran established a cash declaration regime. In August 2018, Iran enacted amendments to its Counter-Terrorist Financing Act and in January 2019, Iran has also enacted amendments to its Anti-Money Laundering Act.

In its June 2019 Public Statement, the FATF recognised the progress of these legislative efforts.

However, Iran's Action Plan expired in January 2018, with a majority of the action items still outstanding. The FATF decided, therefore, to call upon members and urged all jurisdictions to require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran, in line with the February 2019 Public Statement.

While acknowledging the progress that Iran made including with the passage of the Anti-Money Laundering Act, the FATF expressed its disappointment that the Action Plan remains outstanding. The FATF expects Iran to proceed swiftly in the reform path to ensure that it addresses all of the remaining items by completing and implementing the necessary AML/CFT reforms.

If by October 2019, Iran does not enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, then the FATF will require introducing enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran. The FATF also expects Iran to continue to progress with enabling regulations and other amendments. Iran will remain on the FATF Public Statement until the full Action Plan has been completed. Until Iran implements the measures required to address the deficiencies identified with respect to countering terrorism-financing in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system.



## ICRG Review Process

The FATF continually identifies and reviews jurisdictions with strategic AML/CFT deficiencies that present a risk to the international financial system and closely monitors their progress.

Through its International Co-operation Review Group (ICRG), the FATF reviews jurisdictions based on threats, vulnerabilities, or particular risks arising from the jurisdiction. Specifically, a jurisdiction will be reviewed when:

- It does not participate in a FATF-style regional body (FSRB) or does not allow mutual evaluation results to be published in a timely manner; or
- It is nominated by a FATF member or an FSRB. The nomination is based on specific money laundering, terrorist financing, or proliferation financing risks or threats coming to the attention of delegations; or
- It has achieved poor results on its mutual evaluation, specifically:
  - it has 20 or more non-Compliant (NC) or Partially Compliance (PC) ratings for technical compliance; or
  - it is rated NC/PC on 3 or more of the following Recommendations: 3, 5, 6, 10, 11, and 20; or
  - it has a low or moderate level of effectiveness for 9 or more of the 11 Immediate Outcomes, with a minimum of two lows; or

- it has a low level of effectiveness for 6 or more of the 11 Immediate Outcomes.

A jurisdiction that enters the ICRG review process as a result of its mutual evaluation results has a one-year Observation Period to work with the FATF or its FATF-style regional body (FSRB) to address deficiencies before possible public identification and formal review by the FATF. The FATF then prioritises the review of those countries with more significant financial sectors – e.g. USD 5 billion or more in financial sector assets.

During the review process the FATF considers the strategic AML/CFT deficiencies identified both in terms of technical compliance and effectiveness of measures in place, and any relevant progress made by the jurisdiction. If the FATF deems the progress insufficient to address its strategic deficiencies, the FATF develops an action plan with the jurisdiction to address the remaining strategic deficiencies.

For all countries under ICRG review, the FATF requires a high-level political commitment that the jurisdiction will implement the legal, regulatory, and operational reforms required by the action plan.

Four regional Joint Groups of the ICRG carry out the reviews, covering: Africa/Middle East, the Americas, Asia/Pacific, and Europe/Eurasia. Each jurisdiction under review has the opportunity to participate in a face-to-face meeting to discuss the analysis of the Joint Group in advance of FATF plenary meetings.

## Public Identification

The FATF publishes two statements at the end of each plenary meeting, in February, June, and October. These statements provide a short summary of the recent actions taken in accordance with each jurisdiction's action plan, as well as a list of the strategic deficiencies remaining to be addressed. The two statements reflect the different levels of risk posed at any given time by the deficiencies in the jurisdictions under review.

### FATF Public Statement

The FATF Public Statement identifies two groups of jurisdictions:

- Jurisdictions for which the FATF calls on its members and non-members alike to apply enhanced due diligence measures, which should be proportionate to the risks arising from the deficiencies associated with those jurisdictions. Enhanced due diligence measures include obtaining additional information on the customer; obtaining information on the source of funds and source of wealth of the customer; and enhanced monitoring of the business relationship.
- For jurisdictions with such serious, long-standing strategic deficiencies that have still failed to make progress after the FATF calls for enhanced due diligence, the FATF calls on its members and non-members alike to also apply countermeasures.

Countermeasures range from specific elements of enhanced due diligence and systematic reporting of transactions involving the jurisdiction, to a limitation or prohibition of financial transactions with the jurisdiction.

The FATF provides further instructions and examples of enhanced due diligence and counter-measures (see the Interpretative Notes to Recommendations 10 and 19), and it is the responsibility of each country to implement the measures.

This statement is often externally referred to as the 'black list'.

## Removal from FATF Review

To be removed from FATF monitoring, a jurisdiction must substantially address all the components of its action plan. Once the FATF has determined that a jurisdiction has done so, it will organise an on-site visit to confirm that the implementation of the necessary legal, regulatory, and/or operational reforms is underway and there is the necessary political commitment and institutional capacity to

sustain implementation. If the on-site visit has a positive outcome, the FATF will decide on removing the jurisdiction from public identification at the next FATF plenary. The concerned jurisdiction will then continue to work within the FATF or the relevant FSRB, through its normal follow-up process, to improve its AML/CFT regime.

## Improving Global AML/CFT Compliance: Ongoing Process Statement

This statement identifies those jurisdictions with strategic deficiencies in their AML/CFT regimes that are undergoing review by the FATF according to the agreed milestones and timelines. The FATF encourages its members to consider the ML/TF/PF risks arising from the strategic deficiencies of these jurisdictions. If a jurisdiction fails to make sufficient or timely progress, the FATF can decide to increase its pressure on the jurisdiction to make meaningful progress and protect the international financial system from these risks emanating from the jurisdiction by moving it to the FATF Public Statement.

This statement is often externally referred to as the 'grey list'.



# Strengthening the Global Network

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We welcome the United Nations Security Council Resolution 2462, which stresses the essential role of the FATF in setting global standards for preventing and combatting money laundering, terrorist financing and proliferation financing. We reiterate our strong commitment to step up efforts to fight these threats, including by strengthening the FATF's global network of regional bodies.

G20 Osaka Leaders' Declaration, 29 June 2019

Putting a stop to money laundering and terrorist financing is a global effort. No country should become a safe haven for criminals and terrorists. Thanks to innovation in particular, it would be very easy for them to exploit a country's lax preventive measures to launder the profits of their crimes or send money to support terrorist activity.

The FATF's global network brings together 205 countries and jurisdictions that have each committed to implementing legal, regulatory and operational measures to detect, prevent and punish money laundering and terrorist financing.

During the U.S. Presidency of the FATF, the FATF and Eurasian Group jointly organised a Forum on FinTech and RegTech, on 4-5 September 2018. Hosted in China and co-chaired by FATF President Xiangmin Liu and EAG Chairperson Ms. Jinghua Hao, the event brought together over 140 participants from the FinTech and RegTech sectors as well as members, associate members and observers of the FATF.

## Changes to the membership of the Financial Action Task Force

This year, the FATF welcomed two new members, expanding its membership from 37 to 39. Israel, became a full member of the FATF in December 2018 and the Kingdom of Saudi Arabia, in June 2019. These countries enhance the geographic balance of the FATF membership and enrich the organisation with their unique expertise and experience. The Plenary's decision to grant them membership concludes a lengthy process that started in 2014, when the organisation decided on a limited expansion of the FATF membership to incorporate the countries that were strategically the most important.

Each country completed a mutual evaluation during which it had to demonstrate that it has an effective framework to combat money laundering and terrorist financing.

Indonesia, an observer to the FATF since June 2018, is working towards meeting the FATF criteria for full membership.

**39** FATF Members  
including two regional  
organisations

## FATF-Style Regional Bodies

Through nine FATF-style regional bodies, or FSRBs, the FATF extends its reach beyond its own 39 members. Each FSRB is an autonomous body. They share the common goal with the FATF of preventing criminals from profiting from their crimes and terrorists from moving, raising or using funds to support terrorism and in particular, terrorist acts. The FATF is the only standard-setting body and has the over-arching responsibility to ensure that countries throughout the world implement effective measures to fight money laundering and terrorist financing.

The FATF Global Network currently extends to 205 countries and jurisdictions, who have committed to implement the FATF Recommendations and agreed to be evaluated on the level of that implementation. This group of jurisdictions represents every continent and incorporates the most important financial centres as well as smaller economies.

Jointly organised events help the FATF and FSRBs foster good collaboration. This year's FATF & MONEYVAL Joint Experts' Meeting brought together delegates and experts from both the FATF and MONEYVAL membership (see page 35). This event was followed by the terrorist financing prosecution workshop, also jointly organised with MONEYVAL. The workshop built on the outcomes from a global outreach programme to prosecutorial services and criminal justice systems, an initiative during the 2017-2018 FATF Presidency.

**205**  
Global network  
members

## Mutual evaluations and follow-up reports

Each FSRB is responsible for promoting the effective implementation of the FATF Recommendations among its own members and assessing how effectively they have done this. The *Universal Procedures* are the basis for each assessment, whether conducted by the FATF or on the regional bodies.

These procedures ensure that every assessment is of high quality and that the conclusions and ratings remain consistent. As such, the assessments conducted by FATF and FSRBs are equivalent.

A country's mutual evaluation is an important milestone. It is a factual and unbiased assessment on whether the country is effective in going after a criminal's money to take away the drivers for further crimes. It analyses whether the country is effective in using financial intelligence to prevent terrorist attacks and disrupt terrorism-related financial flows. The outcomes from a mutual evaluation have a direct impact on its citizens and businesses' ability to carry out cross-border financial transactions. A poor outcome can have a negative impact on its position in the global economy.

The success and integrity of the mutual evaluation process starts with a knowledgeable team of trained expert assessors. This year the FATF organised eight training sessions jointly with one or two of the FSRBs. During these training sessions, future assessors learn how to look for evidence that a country's actions are effective in combating money laundering and terrorist financing, and whether it has

implemented all of the requirements set out in the 40 Recommendations. The FATF and FSRB Secretariats organise workshops to share good practices on managing mutual evaluation processes.

This year, the FSRBs completed the mutual evaluations of 19 of their members. Before their publication, each report underwent a rigorous quality and consistency review.

This review is crucial. Each country or jurisdiction in the FATF Global Network is assessed against the same standards, the FATF Recommendations. These assessments, regardless of the assessing body, must happen in a consistent, fair and rigorous manner. The publication of a low quality report impacts the credibility of the work of the FATF and the FATF-style regional bodies, and the mutual evaluation process in particular. Maintaining a consistent and high-level mutual evaluation process is crucial to ensure a level playing field and to strengthen the work of the FATF.

Each report is reviewed at various stages of the mutual evaluation process. The FATF Secretariat reviews drafts to spot issues of quality and consistency early on. All members of the FATF Global Network also have the opportunity to review the draft reports or reports that have been adopted by the regional body's Plenary. This quality and consistency review allows any of the 205 members of the FATF Global Network to suggest improvements or raise issues of concern.

The following reports successfully completed the quality and consistency review and were subsequently published on the FATF website.

## APG

### Mutual evaluation reports

- China (IMF-led joint assessment with EAG and FATF)
- Indonesia
- Myanmar
- Palau
- The Cook Islands

### Follow-up reports

- Bangladesh
- Bhutan
- Cambodia
- Fiji
- Samoa
- Sri Lanka
- Thailand

## CFATF

### Mutual evaluation reports

- Antigua and Barbuda
- Cayman Islands

### Follow-up reports

- The Bahamas

## ESAAMLG

### Mutual evaluation reports

- Madagascar
- Mauritius
- Seychelles

### Follow-up reports

- Ethiopia
- Uganda

## EURASIAN GROUP

### Mutual evaluation reports

- China (joint assessment with APG and FATF)
- Kyrgyzstan
- Tajikistan

## GIABA

### Follow-up report

- Ghana



## GAFILAT

### Mutual evaluation reports

- Colombia
- Dominican Republic
- Peru

### Follow-up reports

- Costa Rica
- Guatemala
- Nicaragua
- Panama

## MENAFATF

### Mutual evaluation reports

- Bahrain (joint assessment with FATF)
- Mauritania
- Saudi Arabia (joint assesment with FATF)

### Follow-up reports

- Tunisia

## MONEYVAL

### Mutual Evaluation Reports

- Albania
- Czech Republic
- Israel (joint assessment with FATF)
- Latvia
- Lithuania

### Follow-up reports

- Andorra
- Armenia
- Hungary
- Isle of Man
- Panama
- Serbia
- Slovenia
- Vanuatu

## Engagement with the private sector

### FinTech and RegTech

Since 2016, the FATF has engaged in a constructive dialogue with the FinTech and RegTech industry. Financial innovation can offer opportunities to improve the effective implementation of anti-money laundering and counter-terrorist financing (AML/CFT) measures. At the same time, financial innovation should be in line with AML/CFT requirements so as not to create loopholes for criminals and terrorists to exploit.

The FATF organised the third FinTech and RegTech Forum on 4-5 September 2018 in Hangzhou, China. The event brought together over 140 participants from the FinTech and RegTech sectors, financial institutions, and FATF Members, associate members and observers. The discussions at this event contributed to clarifying the application of the FATF Standards to virtual assets and service providers. The FATF adopted the revised Recommendation 15 in October 2018 and a new Interpretive Note and Guidance in June

2019.

Another issue on the agenda was the use of distributed ledger technology as identity and information solution, and the risk and regulatory and technical challenges in the case of its use in the context of AML/CFT obligations. The discussion around digital identify focused on the challenges that both jurisdictions and the private sector experience when digital identifications products and services are used to carry out customer due diligence as part of the on-boarding process. The discussions highlighted the need for further guidance on how to use digital forms of identification, verification, and authentication. The FATF is working on this guidance that which it expects to finalise in February 2020.

As part of work under the G20 priority agenda on “opportunities and challenges by financial innovation”, the FATF co-hosted with the IMF and G20 a special joint session on financial technology and anti-money laundering and counter terrorist financing on 2 April 2019. This session highlighted the range of opportunities and challenges that financial technologies raise with respect to anti-money laundering and counter terrorist financing.

The Joint FATF/EAG FinTech & RegTech Forum, 4-5 September 2018, Hangzhou, China.





The FATF Private Sector Consultative Forum, Vienna, 6-7 May 2019.

## Private Sector Consultative Forum

The FATF organised its annual private sector consultative forum in Vienna, on 6-7 May 2019. This forum continues to provide a valuable opportunity to engage the private sector in FATF's work and seek their views on ongoing projects or issues. This forum focused on a range of important issues including the use of AML/CFT in the context of fighting corruption. Participants also discussed financial innovation and its impact on, or use for, AML/CFT. This included virtual assets, digital identify, machine learning, data mining and artificial intelligence. Participants also provided valuable input into a number of ongoing projects, including new risk-based approach guidance for the legal profession, accountants and trust and company service providers, and best practices on beneficial ownership.

Launched in March 2018, the FATF has continued issuing its successful FATF Business Bulletin newsletter. The Business Bulletin helps the FATF raise awareness about important FATF outcomes that are of particular interest to the private sector. The Bulletin is issued periodically and published on the FATF website.

In addition to the Business Bulletin, the FATF created a dedicated page on its website to provide a one-stop-shop for private sector interested in information for a particular sector or product. The FATF will periodically update and expand the page to provide additional functionality.

[www.fatf-gafi.org/publications/privatesector/documents/riskandtrendsreportsandguidance.html](http://www.fatf-gafi.org/publications/privatesector/documents/riskandtrendsreportsandguidance.html)

## Annex 1

### Financial statement

At the close of this Plenary year, there are 39 staff members at the FATF Secretariat: an Executive Secretary, a Deputy Executive Secretary, five Senior Policy Analysts, twenty-one policy analysts, one communications manager, one resource management advisor, one resource management officer, one programme and events coordinator and seven assistants. In addition, the FATF occasionally also hosts short-term interns and consultants. The FATF Secretariat provides support to the FATF, including:

- organising Plenary and working groups meetings
- providing support to the FATF President, the Steering Group and FATF delegations
- preparing and producing policy papers to be discussed in working groups and/or the Plenary
- co-ordinating of and participating in mutual evaluation missions and drafting the related assessment reports.

The FATF Secretariat liaises on an ongoing basis with the numerous FATF partners, undertakes a representational role at professional events and provides information to the public and the media.

Funding for the FATF Secretariat is provided by the FATF 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-members' contributions are also calculated using the OECD scale calculation method. The two member organisations (Gulf Co-operation Council and the European Commission) also make voluntary contributions to the FATF.

#### Budget of the FATF for fiscal years 2018 and 2019 (in EUR)\*

Budget items	Budget FY 2018	Budget FY 2019
Staff costs (salaries and indemnities)	4 487 488	6 152 201
Travel	441 177	910 022
Operating costs (incl. office rental)	413 923	651 000
OECD overhead charges	383 100	515 400
Meeting costs, translation, interpretation	335 000	255 000
IT: investments and maintenance costs	166 471	723 800
Total	6 227 159	9 207 423

## Annex 2

### Members and observer countries

#### Members

Argentina	Luxembourg
Australia	Malaysia
Austria	Mexico
Belgium	Netherlands, Kingdom of
Brazil	New Zealand
Canada	Norway
China	Portugal
Denmark	Russian Federation
European Commission	Saudi Arabia
Finland	Singapore
France	South Africa
Germany	Spain
Greece	Sweden
Gulf Co-operation Council	Switzerland
Hong Kong, China	Turkey
Iceland	United Kingdom
India	United States
Ireland	
Israel	
Italy	
Japan	
Korea	

#### FATF Observer

Indonesia

#### FATF 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)  
 Eurasian Group (EAG)  
 Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)  
 Financial Action Task Force of Latin America (GAFILAT)  
 Inter Governmental Action Group against Money Laundering in West Africa (GIABA)  
 Middle East and North Africa Financial Action Task Force (MENAFATF)  
 Task Force on Money Laundering in Central Africa (GABAC)

## Annex 3

### FATF Global Network Member countries and Jurisdictions

Country	FSRB
Afghanistan	APG
Albania	MONEYVAL
Algeria	MENAFATF
Andorra	MONEYVAL
Angola	ESAAMLG
Anguilla	CFATF
Antigua and Barbuda	CFATF
Argentina	FATF/GAFILAT
Armenia	MONEYVAL
Aruba	CFATF
Australia	FATF-APG
Austria	FATF
Azerbaijan	MONEYVAL
Bahrain	MENAFATF
Bangladesh	APG
Barbados	CFATF
Belarus	EAG
Belgium	FATF
Belize	CFATF
Benin	GIABA
Bermuda	CFATF
Bhutan, Kingdom of	APG
Bolivia	GAFILAT
Bosnia and Herzegovina	MONEYVAL
Botswana	ESAAMLG
Brazil	FATF/GAFILAT
Brunei Darussalam	APG
Bulgaria	MONEYVAL
Burkina Faso	GIABA
Cambodia	APG
Cameroon	GABAC
Canada	FATF-APG
Cape Verde	GIABA
Cayman Islands	CFATF
Central African Republic	GABAC
Chad	GABAC
Chile	GAFILAT

Country	FSRB
China, People's Republic of	FATF-APG-EAG
Chinese Taipei	APG
Colombia	GAFILAT
Comoros	GIABA
Cook Islands	APG
Costa Rica	GAFILAT
Côte d'Ivoire	GIABA
Croatia	MONEYVAL
Cuba	GAFILAT
Curacao	CFATF
Cyprus	MONEYVAL
Czech Republic	MONEYVAL
Democratic Republic of Congo	GABAC
Denmark	FATF
Djibouti	MENAFATF
Dominica	CFATF
Dominican Republic	GAFILAT
Ecuador	GAFILAT
Egypt	MENAFATF
El Salvador	CFATF
Equatorial Guinea	GABAC
Estonia	MONEYVAL
Ethiopia	ESAAMLG
Fiji	APG
Finland	FATF
France	FATF-MONEYVAL
Gabon	GABAC
Gambia	GIABA
Georgia	MONEYVAL
Germany	FATF
Ghana	GIABA
Gibraltar	MONEYVAL
Greece	FATF
Grenada	CFATF
Guatemala	GAFILAT
Guernsey	MONEYVAL
Guinea	GIABA

Country	FSRB
Guinea-Bissau	GIABA
Guyana	CFATF
Haiti	CFATF
Holy See	MONEYVAL
Honduras	GAFILAT
Hong Kong, China	FATF-APG
Hungary	MONEYVAL
Iceland	FATF
India	FATF-APG-EAG
Indonesia	APG
Iraq	MENAFATF
Ireland	FATF
Isle of Man	MONEYVAL
Israel	MONEYVAL
Italy	FATF-MONEYVAL
Jamaica	CFATF
Japan	FATF-APG
Jersey	MONEYVAL
Jordan	MENAFATF
Kazakhstan	EAG
Kenya	ESAAMLG-
Kingdom of Saudi Arabia	MENAFATF
Korea, Republic of Korea (South Korea)	FATF-APG
Kuwait	MENAFATF
Kyrgyzstan	EAG
Lao People's Democratic Republic	APG
Latvia	MONEYVAL
Lebanon	MENAFATF
Lesotho	ESAAMLG
Liberia	GIABA
Libya	MENAFATF
Liechtenstein	MONEYVAL
Lithuania	MONEYVAL
Luxembourg	FATF
Macao, China	APG
Madagascar	ESAAMLG

Country	FSRB
Malawi	ESAAMLG
Malaysia	FATF-APG
Maldives	APG
Mali	GIABA
Malta	MONEYVAL
Marshall Islands, Republic of	APG
Mauritania	MENAFATF
Mauritius	ESAAMLG
Mexico	FATF/GAFILAT
Moldova	MONEYVAL
Monaco	MONEYVAL
Mongolia	APG
Montenegro	MONEYVAL
Montserrat	CFATF
Morocco	MENAFATF
Mozambique	ESAAMLG
Myanmar	APG
Namibia	ESAAMLG
Nauru	APG
Nepal	APG
Netherlands Kingdom of	FATF
New Zealand	FATF-APG
Nicaragua	GAFILAT
Niger	GIABA
Nigeria	GIABA
Niue	APG
Norway	FATF
Oman	MENAFATF
Pakistan	APG
Palau	APG
Palestine	MENAFATF
Panama	GAFILAT
Papua New Guinea	APG
Paraguay	GAFILAT
Peru	GAFILAT
Philippines	APG
Poland	MONEYVAL

Country	FSRB
Portugal	FATF
Qatar	MENAFATF
Republic of Congo	GABAC
Romania	MONEYVAL
Russian Federation	FATF-EAG-MONEYVAL
Rwanda	ESAAMLG
Saint Kitts and Nevis	CFATF
Saint Lucia	CFATF
Saint Vincent and the Grenadines	CFATF
Samoa	APG
San Marino	MONEYVAL
Sao Tome and Principe	GIABA
Senegal	GIABA
Serbia	MONEYVAL
Seychelles	ESAAMLG
Sierra Leone	GIABA
Singapore	CATF-APG
Sint Maarten	CFATF
Slovak Republic	MONEYVAL
Slovenia	MONEYVAL
Solomon Islands	APG
Somalia	MENAFATF
South Africa	FATF-ESAAMLG
Spain	FATF
Sri Lanka	APG
Sudan	MENAFATF
Suriname	CFATF
Swaziland	ESAAMLG
Sweden	FATF
Switzerland	FATF
Syrian Arab Republic	MENAFATF
Tajikistan	EAG
Tanzania	ESAAMLG
Thailand	APG
The Bahamas	CFATF

Country	FSRB
The Former Yugoslav Republic of Macedonia	MONEYVAL
Timor-Leste	APG
Togo	GIABA
Tonga	APG
Trinidad and Tobago	CFATF
Tunisia	MENAFATF
Turkey	FATF
Turkmenistan	EAG
Turks and Caicos Islands	CFATF
Uganda	ESAAMLG
Ukraine	MONEYVAL
United Arab Emirates	MENAFATF
United Kingdom	FATF
United States	FATF-APG
Uruguay	GAFILAT
Uzbekistan	EAG
Vanuatu	APG
Venezuela	CFATF
Vietnam	APG
Virgin Islands	CFATF
Yemen	MENAFATF
Zambia	ESAAMLG
Zimbabwe	ESAAMLG



## Annex 4

### Observer organisations

African Development Bank  
 Anti-Money Laundering Liaison Committee of the Franc Zone (CLAB) [French]  
 Asian Development Bank  
 Basel Committee on Banking Supervision (BCBS)  
 Camden Asset Recovery Inter-agency Network (CARIN)  
 Egmont Group of Financial Intelligence Units  
 European Bank for Reconstruction and Development (EBRD)  
 European Central Bank (ECB)  
 Eurojust  
 Europol  
 Group of International Finance Centre Supervisors (GIFCS) [formerly the Offshore Group of Banking Supervisors - OGBS]  
 Inter-American Development Bank (IDB)  
 International Association of Insurance Supervisors (IAIS)  
 International Monetary Fund (IMF)  
 International Organisation of Securities Commissions (IOSCO)  
 Interpol  
 Organization of American States / Inter-American Committee Against Terrorism (OAS/CICTE)  
 Organization of American States / Inter-American Drug Abuse Control Commission (OAS/CICAD)  
 Organisation for Economic Co-operation and Development (OECD)  
 Organization for Security and Co-operation in Europe (OSCE)  
 United Nations -  
 United Nations Office on Drugs and Crime (UNODC)  
     United Nations Counter-Terrorism Committee Executive Directorate (UNCTED)  
     The Analytical Support and Sanctions Monitoring Team pursuant to resolutions 1526(2004) and 2253(2015) concerning ISIL (Da'esh), Al-Qaida and the Taliban and associated individuals and entities  
     The Expert Group to the Security Council Committee established pursuant to resolution 1540 (2004)  
     Panel of Experts to the Security Council Committee established pursuant to resolution 1718 (2006)  
 Security Council Subsidiary Organs Branch  
 World Bank  
 World Customs Organization (WCO)

The FATF logo is located in the top right corner. It consists of the letters 'FATF' in a white, bold, sans-serif font, positioned above a stylized white graphic of a globe or a similar abstract shape. The entire logo is set against a red, rounded rectangular background.

FATF

The background of the page is a solid dark blue. It is decorated with a pattern of small, scattered circles in various colors, including white, light blue, teal, yellow, and red. The circles are more densely packed on the right side of the page, creating a gradient effect from left to right.

[www.fatf-gafi.org](http://www.fatf-gafi.org)

This report summarises the outcomes of  
the work of the Financial Action Task Force  
during the United States Presidency,  
from 1 July 2018 to 30 June 2019.