



FINANCIAL ACTION TASK FORCE



FATF BUSINESS BULLETIN

*This report provides a brief update on outcomes from the **June 2018 Joint FATF-MENAFATF plenary meeting** that are relevant for the private sector. The complete summary of outcomes from the Plenary is available [here](#).*

August 2018

Recent important FATF outcomes relevant for:

All private sector

Financial Flows from Human Trafficking

- The FATF adopted a **joint FATF-APG report which analysis the financial flows associated with the fast-growing crime of human trafficking**, both as an ML predicate and a potential source of TF. The report provides good practices and indicators specific to the type of human trafficking as specified in the Palermo Protocol. The full report is [available here](#).

Concealment of Beneficial Ownership Information

- The FATF also adopted a **joint FATF-Egmont Group study that looks at the mechanisms and techniques that can be used to obscure beneficial ownership and control of illicitly obtained assets**, drawing on over 100 case studies, law enforcement experiences, and the outcomes of FATF evaluations. The full report is [available here](#).

Professional Money Launderers (PMLs)

- The FATF also adopted a **report on professional money launderers (PMLs)** which identifies the specialist skill sets that PMLs offer their clients in order to hide or move their proceeds, and provides a detailed explanation of the roles performed by PMLs to enable authorities and reporting entities to identify and understand how they operate. The full report is [available here](#).

Insurance and Securities Sectors

Risk Based Approach Guidance for the Life Insurance and Securities Sectors

- The FATF discussed **two draft risk-based approach guidance papers** which are being developed to assist countries, competent authorities, and the private sector in the application of a risk-based approach to AML/CFT. The FATF is now conducting a **public consultation** on the [draft risk based guidance on life insurance sector](#), and the [draft risk-based guidance on the securities sector](#). **The deadline for inputs is Friday 17 August 2018**. The finalized reports, which will take into account the feedback received during the public consultation, will be considered for adoption by the FATF Plenary in October.

High-risk and other monitored jurisdictions

- The FATF identifies jurisdictions with **strategic AML/CFT deficiencies** in the following public documents issued three times a year: **FATF Public Statement (June 2018)** (call for action) and **Improving Global AML/CFT Compliance: on-going Process (June 2018)** (other monitored jurisdictions).
- At the June 2018 meeting, **the FATF decided to continue the suspension of counter-measures on Iran**. The FATF urgently expects Iran to enact amendments to its AML/CFT laws and ratify the Palermo and TF conventions in full compliance with the FATF Standards by October 2018, otherwise, the FATF will decide upon appropriate actions at that time.



Strategic Issues

Virtual Currencies/Crypto-assets (VCs/CAs)

- The FATF agreed to initiate a project on **investigative best practices related to VCs/CAs** to assist law enforcement in light of the growing risks. FATF has begun its **review of guidance and standards to determine if changes are necessary to clarify their application to VCs/CAs** and promote a more consistent regulatory approach.

Digital Identity

- FATF has also begun to review its Standards to determine whether changes are needed in light of developments in digital ID. The FATF has also **agreed to initiate guidance on the application of the FATF standards (and R.10 and 11 in particular) in a digital ID context**.

Public-Private Partnerships

- The FATF in coordination with the Egmont group is continuing work on **best practices and practical considerations for financial intelligence units setting up public-private partnerships**.

Recent updates include:

- **Iraq and Vanuatu** will no longer be subject to the FATF's monitoring under its on-going global AML/CFT compliance process, and will work with the MENAFATF and APG respectively as they continue to further strengthen their AML/CFT regimes.
- In June 2018, **Pakistan** made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime. Pakistan will now be subject to FATF's monitoring under its on-going global AML/CFT compliance process.

For More Information



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