This Bulletin provides a brief update on the key outcomes of the FATF Plenary held on 19-21 February 2020. For additional details, please see the FATF public website.

**Strategic Initiatives**

**Mitigating the ML/TF risks of virtual assets**
The FATF has been closely monitoring the implementation and impact of its new standards to address the potential money laundering (ML) and terrorist financing (TF) risks of virtual assets, including the progress made towards fully implementing the "travel rule", which requires transparency about the originator and beneficiary of payments. The FATF discussed progress in its 12-month review of the implementation of the FATF’s new requirements, taking into account updates from private sector representatives on their proposed technical solutions. The FATF will report to the G20 in July 2020 on its analysis of ML/TF risks associated to so-called stablecoins and the application of the FATF Standards to them.

**Combating the laundering of proceeds of the illegal wildlife trade**
The Plenary discussed progress on one of its priorities under the Chinese FATF Presidency: to tackle the financial flows linked to the illegal wildlife trade. The Plenary discussed the contributions and preliminary findings of this project that aims to analyse common supply chains and payment methods. The final Guidance paper will include a large number of case studies from countries that have experience in investigating the financial flows from the illegal wildlife trade.

**Promoting more effective supervision**
Supervisors play an essential role in ensuring the effectiveness of national regimes to detect and prevent illicit financial flows. The FATF discussed the outcomes of its first Supervisors’ Forum held in Sanya, China in November and those of the VASP Supervisors’ Forum held in Paris in January. Both events brought together experts to understand the reasons for weaknesses in AML/CFT supervision and explore ways to make supervision more effective. The events contribute to improving FATF’s guidance and advice. For example, the FATF will now develop guidance on risk-based AML/CFT supervision to set out how supervisors can assess ML/TF risks to their sectors and how they can develop supervision programmes based on these risks.

**Strategic review of the FATF Global Network assessment processes**
The Plenary discussed progress in the strategic review of its mutual evaluation and follow-up processes. This work will result in decisions regarding the future assessment processes of the FATF and its Global Network. It aims to strengthen the efficiency and effectiveness of the FATF and make the assessment and monitoring processes more timely, effective and risk-based.

**FATF Presidency 2020-2022**
The Plenary selected Dr Marcus Pleyer (Germany) to be the next FATF President. His term will begin on 1 July 2020, and he will be the first FATF President with a two-year term. Dr Pleyer currently holds the position of FATF Vice-President. He will continue in that role until the start of his term as President, at which point the FATF Plenary will appoint a new Vice-President.
Country-specific processes

Mutual evaluations

Republic of Korea

The FATF and the Asia/Pacific Group on Money Laundering jointly assessed Korea's measures to combat ML and TF. The Plenary discussed this evaluation and concluded that Korea understands the risks it faces and has a sound legal and institutional framework that is delivering some good results. These include the effective use and development of financial intelligence, and recovery of criminal proceeds. However, the country needs to implement AML/CFT measures and supervision to non-financial businesses, strengthen supervision, focus on preventing the misuse of legal persons and arrangements for ML and TF, and prioritise money laundering investigations and prosecutions.

These reports will be published after a quality and consistency review, in April.

United Arab Emirates

The Plenary also discussed the joint FATF-MENAFATF assessment of the United Arab Emirates and concluded that the country has implemented many recent measures to strengthen its system to combat ML and TF, including by developing a national risk assessment, AML/CFT strategy and effective measures to investigate and prosecute TF. However, the country needs to refine its understanding of ML/TF risks, enhance ML investigations and prosecutions, and international cooperation. It should also better focus on preventing the abuse of legal persons and arrangements, supervision, and on ensuring that assets with links to terror or the financing of weapons of mass destruction are frozen without delay.

Follow-up report

The United States

The Plenary discussed the progress that the United States has made since its 2016 mutual evaluation report. The FATF Plenary agreed to re-rate the United States on one Recommendation to reflect the country's current level of technical compliance. In due course, the FATF will publish the follow-up report, which sets out the actions that the United States has taken to strengthen its measures to combat money laundering and the financing of terrorism and proliferation of weapons of mass destruction.

Jurisdictions under increased monitoring

- Jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring (see Jurisdictions under increased monitoring – 21 February 2020).
  - Jurisdiction no longer subject to increased monitoring: Trinidad and Tobago
  - New jurisdictions subject to increased monitoring: Albania, Barbados, Jamaica, Mauritius, Myanmar, Nicaragua, Uganda
  - Pakistan's actions in addressing deficiencies in its AML/CFT system

High-risk jurisdictions subject to a call for action

- High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the ongoing money laundering, terrorist financing, and proliferation financing risks emanating from the country. (see High-risk jurisdictions subject to a call for action – 21 February 2020)
  - Monitoring Iran's actions to address deficiencies in its AML/CFT system
FSRB Reports

CFATF
- Bermuda - Mutual Evaluation Report
- Turks and Caicos Islands - Mutual Evaluation Report

EAG
- Kyrgyz Republic - Follow-up Report
- The Republic of Belarus - Mutual Evaluation Report

GAFILAT
- Uruguay - Mutual Evaluation Report

GIABA
- Mali - Mutual Evaluation Report

MENAFATF
- Tunisia - Follow-up Report
- The Kingdom of Jordan - Mutual Evaluation Report

MONEYVAL
- Albania - Follow-up Report
- Andorra - Follow-up Report
- Cyprus - Mutual Evaluation Report
- Gibraltar - Mutual Evaluation Report
- Hungary - Follow-up Report
- Latvia - Follow-up Report
- Serbia - Follow-up Report
- Slovenia - Follow-up Report

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