



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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