



# **FINANCIAL ACTION TASK FORCE**

## **MANDATE**

Approved by the Ministers and Representatives  
of the Financial Action Task Force

12 April 2019  
Washington, DC



## Declaration of the Ministers of the Financial Action Task Force

1. 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 (WMD).
2. We commit to step up our fight against these significant threats to global security and the integrity of the international financial system. Criminals exploit the financial system to move illegally obtained proceeds, and this can undermine and destabilise economies. Terrorists exploit vulnerabilities in the financial system to raise and move funds that then are used to support and facilitate attacks against our citizens. State and non-state actors and take advantage of lax laws or weak oversight in some countries to channel funding to the development of WMD.
3. The FATF is at the centre of the effort to take decisive, co-ordinated and effective action against these threats. The objective of the FATF is to protect the integrity of the financial system, and enhance its transparency, which contribute towards global security. The FATF conducts and publishes expert operational and strategic studies on risks, trends, and methods; develops and sets global policies, standards, best practice, and guidance; evaluates FATF member countries; and oversees in close cooperation with the FATF-style regional bodies (FSRBs) the evaluation of all countries on the implementation of the FATF standards.
4. We reaffirm our commitment to tackle all sources, techniques and channels for money laundering, terrorist financing, and proliferation financing, and we call for the full, effective, and swift implementation of the FATF standards worldwide. 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.
5. We recognise that the world today faces evolving money laundering, terrorist financing, and proliferation financing threats. We will continue to respond swiftly and with resolve to significant new threats identified by the international community, including those identified by the United Nations Security Council and the G20.
6. We remain resolved to stopping criminals and their networks, including transnational organised crime from abusing the financial system to conceal and benefit from the proceeds of crime and corruption. The channels and techniques used to launder money are increasingly complex. Through the FATF, we will continue to identify, understand and act to address the vulnerabilities and evolving methods used by criminals around the world.
7. The nature and scale of terrorist financing continues to evolve rapidly. We welcome the support expressed by the United Nations Security Council for the work of the FATF, and we commit to combatting terrorist financing and leading this effort globally. Through FATF, we will provide a flexible and dynamic response to new threats and take effective action to improve understanding, mitigation, and disruption of the risks identified. The FATF will prioritise work enhancing the effective implementation of the FATF Standards, in particular by strengthening jurisdictions' capacity to prosecute terrorist financing; developing the understanding of the nature of TF risk; and supporting the development of CFT regimes and enhancing dialogue in higher-risk regions.

8. We support responsible financial and technological innovation, which can enhance countries' anti-money laundering, counter terrorist financing and counter proliferation financing frameworks. However, these innovations can also pose serious risks that criminals and terrorists may exploit. In light of the rapid development in these new technologies, we will monitor the risks and opportunities in this area and ensure the FATF standards remain relevant and responsive to addressing risks. We urge all jurisdictions to take legal and practical steps to prevent the misuse of these innovations.

9. Recognising the serious threat to international peace and security posed by the proliferation of weapons of mass destruction, we commit to further action to strengthen the global response to WMD proliferation financing. This reflects multiple calls by the United Nations Security Council for Member States to focus more attention on CPF measures. We will further work to ensure that members of the FATF Global Network have appropriate policies and controls in place to address the threat posed by proliferation financing.

10. Improving the transparency of legal persons and arrangements is important to protect the integrity and transparency of the global financial system. To-date, few countries have fully demonstrated that accurate and timely information is available to competent authorities on the beneficial owner of legal persons and arrangements, or that these persons and arrangements are prevented from being misused. We encourage all countries to implement the FATF standards related to beneficial ownership.

11. We will ensure that the FATF has the necessary resources and support to effectively fulfil its mandate, and that all members play a meaningful and effective role in the work of the FATF and contribute fully and fairly to its funding. At the same time, we will use our resources efficiently and focus their use in the core areas of FATF's mandate and where threats are the highest. We underline the importance of strengthening FATF's traction capacity and enhancing effectiveness of the FATF Global Network.

12. The FATF is the first global standard-setter to assess not only whether countries have the necessary legal and institutional frameworks in place but also how effectively countries are implementing these frameworks to combat the threats and mitigate the risks they face. This is unprecedented and challenging work. Looking forward, we will work more closely with FSRBs, the IMF, and the World Bank in implementing the FATF Standards.

13. We recognise and will build on the progress made to ensure all jurisdictions have the legal and institutional frameworks in place to effectively combat money laundering and terrorist and proliferation financing. National authorities must make greater and more effective use of the legal and operational measures they put in place, including the use of financial intelligence. We underscore that effective sharing of information- domestically, across borders and with the private sector in a timely and secure way is vital to this effort. Through the FATF, we will continue to promote effective partnerships and cooperation, including increasing engagement with the private sector and civil society to foster dialogue and transparency that will lead to more effective implementation of the FATF Standards. The FATF will continue to promote financial inclusion and encourage proportionate and effective

implementation of the FATF standards by countries in line with the risk-based approach.

14. We will also strengthen the Global Network, by ensuring that all bodies adhere to shared high-level principles and objectives for their activities and hold their members to account in the implementation of the FATF standards. The FATF has an important role to play in strengthening the Global Network by ensuring the quality and consistency of mutual evaluations and improving understanding and consistent application of the FATF Standards in close cooperation with FSRBs and through the efforts of individual FATF members and the Secretariat. We call on the IMF, the World Bank, the United Nations and multilateral technical assistance providers to increase their capacity building in the area of AML/CFT/CPF.

15. Our revised Mandate will serve as the framework for the activities of FATF and includes changes to its governance processes that will strengthen our capacity to respond to the threats all countries face. We support strengthening the role and extending the terms of the FATF Presidency (the 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.

16. We agree to make this Mandate open-ended starting in 2020, recognising that the FATF has evolved from a temporary forum to a sustained public and political commitment to fight money laundering, terrorist financing, and proliferation financing. We will increase our engagement as Ministers of the FATF by meeting every two years, starting from 2022, to discuss strategic issues and to take stock of FATF progress in its mandate. We will continue to support the decision-making role and member-led process of the FATF Plenary, which includes senior officials and experts of our members (supported by the FATF Secretariat), in implementing the FATF Mandate according to its internal governance procedure.

## Mandate of the Financial Action Task Force

### I. Objectives, Functions and Tasks

#### *Objectives of the Financial Action Task Force*

1. The Financial Action Task Force (FATF) is an intergovernmental body established in 1989 by the Ministers of its Member jurisdictions.
2. The objectives of the FATF are to protect financial systems and the broader economy from threats of money laundering and the financing of terrorism and proliferation, thereby strengthening financial sector integrity and contributing to safety and security.

#### *Functions and tasks of the FATF*

3. In order to fulfil its objectives and working as necessary with other international stakeholders, the FATF carries out the following tasks:
  - a) Identifying and analysing money laundering, terrorist financing and other threats to the integrity of the financial system, including the methods and trends involved; examining the impact of measures designed to combat misuse of the international financial system; supporting national, regional and global threat and risk assessments;
  - b) Developing and refining the international standards for combating money laundering and the financing of terrorism and proliferation (the FATF Recommendations) to ensure that they are up-to-date and effective;
  - c) Assessing and monitoring its Members, through 'peer reviews' ('mutual evaluations') and follow-up processes, to determine the degree of technical compliance, implementation and effectiveness of systems to combat money laundering and the financing of terrorism and proliferation; refining the standard assessment methodology and common procedures for conducting mutual evaluations and evaluation follow-up;
  - d) Identifying and engaging with high-risk, non-co-operative jurisdictions and those with strategic deficiencies in their national regimes, and co-ordinating action to protect the integrity of the financial system against the threat posed by them;
  - e) Promoting full and effective implementation of the FATF Recommendations by all countries through the global network of FATF-style regional bodies (FSRBs) and international organisations; ensuring a clear understanding of the FATF standards and consistent application of mutual evaluation and follow-up processes throughout the FATF global network and strengthening the capacity of the FSRBs to assess and monitor their member countries, including through standards training and outreach;
  - f) Responding as necessary to significant new and emerging threats and risks to the integrity of the financial system consistent with the needs identified by the international community, including the United Nations Security Council, the G-20 and the FATF itself; preparing guidance as needed to facilitate implementation of relevant international obligations in a manner compatible

with the FATF standards (e.g. continuing work on money laundering, terrorist financing, including new and emerging trends, and other misuse of the financial system relating to corruption);

- g) Assisting jurisdictions in implementing financial provisions of the United Nations Security Council resolutions on terrorism and non-proliferation, assessing the degree of implementation and the effectiveness of these measures in accordance with the FATF mutual evaluation and follow-up process, and preparing guidance as needed to facilitate implementation of relevant international obligations in a manner compatible with the FATF standards;
- h) Maintaining engagement with other international organisations and bodies, in particular the United Nations, to increase the outreach of the activities and objectives of the FATF;
- i) Engaging and consulting with the private sector and civil society on matters related to the overall work of the FATF, through the annual consultative forum and other methods for maintaining regular contact to foster transparency and dialogue towards more effective implementation of the FATF standards;
- j) Undertaking any new tasks agreed by its Members in the course of its activities and within the framework of this Mandate; and taking on these new tasks only where it has a particular additional contribution to make while avoiding duplication of existing efforts elsewhere.

## II. Composition and Participation

4. In the development of the FATF standards, guidance and other policy, the FATF consults widely amongst its Members, Associate Members, the international financial institutions and other observer organisations, as well as with other stakeholders including the private sector.

### *Members*

5. FATF Members are the jurisdictions and organisations that have agreed to work together in the form of a task force toward the common objectives laid out in this mandate. The current Members of the FATF are listed in Annex A.

- 6. Member jurisdictions commit to:
  - a) Endorse and fully implement the FATF Recommendations for combating money laundering and the financing of terrorism and proliferation, using guidance and other policy endorsed by the FATF where appropriate; and
  - b) Undergo and actively participate in systematic ‘peer reviews’ (‘mutual evaluations’) and follow-up processes using the agreed assessment methodology and procedures; evaluations will be published by the FATF.
- 7. Member organisations commit to:
  - a) Endorse and promote the effective implementation of the FATF Recommendations among their member jurisdictions; and
  - b) Support systematic ‘peer reviews’ (‘mutual evaluations’) and follow-up processes using the agreed assessment methodology and procedures.

8. Member jurisdictions and organisations commit to:
  - a) Pursue the development of the FATF standards, guidance and other policy for combating money laundering and the financing of terrorism and proliferation and other threats to the integrity of the international financial system through active participation in the work of the FATF (chairs meetings, drafting reports, etc.); and
  - b) Work together to meet the objectives and carry out the tasks of this Mandate;
  - c) Contribute to FATF outreach to the private sector, including through active participation in FATF initiatives with the private sector.

### *Associate Members*

9. Associate Members are FATF-style regional bodies (FSRBs), as designated by the FATF, that participate in the work of the FATF.
10. The relationship between the FATF and its Associate Members is governed by a set of high-level principles.
11. The FATF Plenary takes the decision as to whether a body qualifies as an FSRB and is thus eligible to participate in the FATF as an Associate Member. The current list of Associate Members is contained in Annex B.
12. Associate Members commit to:
  - a) Endorse the FATF Recommendations, guidance and other policy as determined by the FATF for combating money laundering and financing of terrorism and proliferation;
  - b) Promote effective implementation of the FATF standards in their member jurisdictions through the conduct of systematic 'peer reviews' ('mutual evaluations') and follow-up processes using the agreed assessment methodology and procedures, and publish completed evaluations; and
  - c) Participate in the development of the FATF standards, guidance and other policy for combating money laundering and the financing of terrorism and proliferation and other threats to the integrity of the international financial system.

### *International Financial Institutions*

13. Within and in furtherance of their respective mandates to promote financial and economic stability and development, the International Monetary Fund and the World Bank play a special role in the development, promotion and dissemination of measures for combating money laundering and the financing of terrorism and other related threats. In particular, the IMF and the World Bank:
  - a) Contribute to the development of the FATF standards, guidance and other policy for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system;
  - b) Help to promote the effective implementation of the FATF Recommendations through country assessments conducted in the context of the Financial Sector Assessment Program using the agreed assessment methodology and promoting publication of detailed assessment reports; and;



- c) Provide technical assistance and capacity building on combating money laundering, terrorist financing and other related threats.

### **Observers**

14. The FATF works closely with international bodies and organisations that participate in the work of the FATF, in particular with the United Nations and with the Egmont Group of Financial Intelligence Units. Other bodies are eligible to participate in the work of the FATF as observers.

15. The decision as to whether a body may participate as an observer to the FATF is taken by the Plenary. The Plenary reviews the eligibility of observers periodically in light of FATF objectives. The current list of Observers is contained in Annex C.

16. Observers have a stated role related to combating money laundering and the financing of terrorism and proliferation and commit to:

- a) Endorse the FATF Recommendations, guidance and other policy for combating money laundering and the financing of terrorism and proliferation; and
- b) Contribute to the work of the FATF in accordance with their respective legal frameworks and policies.

## **III. ORGANISATION**

### ***Structure of the FATF***

17. The FATF comprises the following internal structures:

- a) The Plenary;
- b) The President, assisted by a Vice-President;
- c) The Steering Group; and
- d) The Secretariat.

### ***The Plenary***

#### ***Composition and Responsibilities***

18. The FATF Plenary consists of Member jurisdictions and organisations.

19. The Plenary is the decision-making body of the FATF. Its decisions are taken by consensus.

20. The Plenary:

- a) Determines the manner in which it conducts its affairs;
- b) Appoints the President, the Vice-President and the Steering Group;
- c) Approves the work programme and budget for the FATF;
- d) Adopts standards, guidance and reports developed by the FATF;
- e) Decides on membership, FSRB status and observer status for the FATF; and

- f) Decides on any other matter governing the business and affairs of the FATF.

#### *Attendance at Plenary Meetings*

21. All Members have the right to attend any Plenary Meeting or any meetings of subgroups created by the Plenary. The President presides over Plenary Meetings. Jurisdictions hosting Plenary or subgroup meetings must be in a position to facilitate attendance at such meetings to ensure representation of all members, associate members and observers.

22. All Members, Associate Members and observers are entitled to attend the open sessions of Plenary Meetings. All Members and Associate Members are entitled to attend closed Plenary sessions.

23. The President may extend ad hoc invitations to representatives of non-Members to attend the whole or part of Plenary Meetings. In the context of specific (closed) sessions of the Plenary and after consultation with Members, the President may also invite representatives from the IMF, World Bank or observer bodies.

#### *Meetings*

24. The President convenes at least three Plenary Meetings every calendar year, normally in February, June and October.

25. Additional extraordinary meetings may be held as circumstances arise, at such time and place as the President may designate, following consultation with Members.

#### *Working groups and other subgroups*

26. To support the work of the FATF, the Plenary may establish and mandate working groups and other subgroups as necessary.

27. The Plenary, at the recommendation of the President, selects and appoints the chairs of the working groups and subgroups. They report to the Plenary on their work programmes.

28. Participation in working groups and other subgroups is open to all Members, Associate Members, the IMF, the World Bank and observers.

29. The Secretariat supports the work of the working groups and other subgroups.

30. The current working groups of the FATF are listed in Annex D of this Mandate.

#### *President*

##### *Appointment and responsibilities*

31. The President is appointed by the Plenary from among its Members for a term of two years non-renewable. The term of the President begins on 1 July and ends on 30 June two years after assuming office. The appointment for both the President and Vice-President takes place at the February Plenary so that their respective terms start 1 July.

32. The President convenes and chairs the meetings of the Plenary and of the Steering Group. The President oversees the FATF Secretariat.

33. The President is the principal spokesperson for the FATF and represents the FATF externally. The President maintains a continuing engagement with other relevant international organisations and bodies, in particular the United Nations, its Security Council and Committees responsible for issues relevant to the FATF Mandate. The President will be informed of all significant matters that concern the FATF. More generally, the President takes all decisions and actions as necessary to achieve the objectives of the FATF in accordance with this mandate and the directions given by the Plenary. The President sets out his/her priorities to FATF Ministers at the start of his/her term. The President also reports regularly on behalf of the FATF Plenary to the Ministers on key aspects of FATF work and more generally to the public through the FATF annual report.

34. The President, in the discharge of the functions as the President, owes his/her duty entirely to the FATF and to no other authorities or institutions.

### ***Vice-President***

#### *Appointment and responsibilities*

35. The Vice-President is appointed by the Plenary from among its Members for a term of two years during the years when the President is not appointed.

36. The Vice-President assists the President in carrying out his/her responsibilities and stands in for the President when necessary, in particular where the participation of the FATF Presidency in the person of the President or Vice-President is deemed important to strengthen FATF visibility and achieve its goals and priorities.

### ***Steering Group***

#### *Composition and appointment*

37. The FATF Steering Group is an advisory body and is chaired by the President.

38. The composition of the Steering Group is decided by the Plenary at the proposal of the President in a manner that ensures maximum effectiveness in taking forward the FATF's work while having regard to balanced representation in terms of geographic regions and considering the diversity in terms of size of the Member's economy, level of participation in FATF and FSRBs, and relevant international engagement.

39. The composition of the Steering Group is reviewed on a biennial basis.

#### *Responsibilities*

40. The Steering Group provides advice between Plenary Meetings to assist the President in carrying forward the directions of the FATF.

41. The President convenes at least three Steering Group meetings every calendar year at such time and place as the President may designate.

42. The duties of the Steering Group include the following:

- a) Monitoring and guiding the progress of the FATF's ongoing work;

- b) Promoting co-ordination across the working groups;
- c) Ensuring effective information flow to all Members; and
- d) Taking forward, in consultation with the Plenary, any other work necessary for the FATF to fulfil its mandate.

### *Secretariat*

#### *Composition and Appointment*

43. The FATF Secretariat is composed of an Executive Secretary, whom the Plenary appoints at the proposal of the President, and the Secretariat staff.

#### *Responsibilities*

44. In supporting the functions of the FATF, the Executive Secretary and Secretariat staff are responsible to and act in accordance with the instructions of the President. The President is responsible for providing general direction to the Executive Secretary, in accordance with any directions given by the Plenary.

45. The main responsibilities of the Secretariat include the following:

- a) Supporting the activities of the FATF, including its working groups;
- b) Facilitating co-operation between Members, Associate Members and observers;
- c) Ensuring efficient communication to Members and others;
- d) Helping to ensure the quality of mutual evaluations reports and consistency in applying the FATF Recommendations across the Global Network, including by participating in relevant FSRBs meetings;
- e) Managing the financial, material and human resources allocated to the FATF;
- f) Maintaining the records, administering internal and external websites and dealing with correspondence of the FATF; and
- g) Carrying out all other functions assigned to it by the President or the Plenary.

46. The Secretariat service is provided by the OECD, and the Secretariat is located at the OECD Headquarters in Paris.

47. The cost of the Secretariat and other services are met by the FATF budget to which Members contribute. The OECD is used as the channel for these services. The Plenary determines the level of individual Member contributions to the FATF budget consistent with the OECD Part I scale methodology, that is, an equal base fee for all member countries (a fixed percentage of total member contributions) and a proportional amount in line with OECD Standard Scale rules.

## **IV. LEGAL EFFECT OF THE MANDATE; ACCOUNTABILITY**

48. This Mandate is not intended to create any legal rights or obligations.

49. This revised Mandate will commence on 12 April 2019 and is open-ended. Starting in 2022, Ministers will meet every two years to shape the strategic direction

and priorities of the FATF and review, as necessary, this Mandate. Ministers may request extraordinary meetings if needed. The FATF Plenary may also decide to convene extraordinary Ministerial and deputy-minister level meetings.

50. The implementation of this Mandate will be carried out by the officials and technical experts of FATF Members and the FATF Secretariat. The FATF is accountable to its Ministers and reports to them on key aspects of its work through annual reporting of the FATF President.

## ANNEX A. FATF MEMBER JURISDICTIONS AND ORGANISATIONS

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

### OBSERVER JURISDICTIONS (in the process of accession to the FATF)

- Indonesia
- Saudi Arabia

## ANNEX B. FATF ASSOCIATE MEMBERS

- Asia/Pacific Group on Money Laundering (APG)
- Caribbean Financial Action Task Force (CFATF)
- Eurasian Group on combating money laundering and financing of terrorism (EAG)
- Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)
- Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)
- Financial Action Task Force on Money Laundering in 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 against Money Laundering in Central Africa (GABAC)

## ANNEX C. LIST OF OBSERVERS

- African Development Bank
- Anti-Money Laundering Liaison Committee of the Franc Zone (CLAB)
- 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)
- 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)
  - 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 Al-Qaida Sanctions Committee (1267/1989 Committee)
- The World Bank
- World Customs Organization (WCO)



## ANNEX D. LIST OF FATF WORKING GROUPS

- Evaluations and Compliance Group (ECG)
- Global Network Co-ordination Group (GNCG)
- International Co-operation Review Group (ICRG)
- Policy Development Group (PDG)
- Risk, Trends and Methods Group (RTMG)



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