



FATF Business Bulletin

July 2020



Priorities for the FATF under the German Presidency (2020-2022) (P.1)



Achievements under the Chinese Presidency of the FATF (P.1)



Outcomes of FATF June 2020 Plenary (P.2)

OBJECTIVES DURING THE GERMAN PRESIDENCY (2020-2022)

FATF President Marcus Pleyer presented his [objectives](#) for the first two-year Plenary period (July 2020 - June 2022) to the June 2020 Virtual Plenary. During the German Plenary years, the FATF will prioritise work in the following areas:

- Digital Transformation of anti-money laundering and counter terrorist financing (AML/CFT)
- Financing of ethnically or racially motivated terrorism
- Money laundering and migrant smuggling
- Environmental crime
- Illicit arms trafficking



Under the German Presidency, the FATF will continue to deliver its core work of identifying risks, setting standards, evaluating and holding countries to account for effective action. In 2020–2022, this will include completing ongoing key initiatives, such as work on confiscation and asset recovery, on beneficial ownership, on proliferation financing, and on guidance for the real estate sector, as well as continuing its fourth cycle of mutual evaluations.

It is a key objective of the German Presidency to successfully conclude the Strategic Review of the Global Network assessment processes and make them more timely, risk-based and effective. In addition, the FATF will enhance cooperation with the FATF-style regional bodies with a view to supporting and strengthening the Global Network in the common endeavour to effectively fight money laundering, terrorist financing and proliferation financing.

ACHIEVEMENTS UNDER THE CHINESE PRESIDENCY OF THE FATF

Under the Chinese Presidency, the FATF has embarked on an ambitious [programme](#) of objectives to tackle emerging ML/TF risks in a number of areas, including:



- Virtual Assets and Virtual Asset Service Providers (VASPs), Guidance for a Risk-Based Approach, 12-Month Review of Revised FATF Standards and FATF Report to the G20 on So-called Stablecoins
- A landmark paper on the use of Digital ID
- Best Practices Paper on Beneficial Ownership
- Strategic Review, agreeing on the future direction and framework for FATF mutual evaluations and follow-up processes
- Supervisors' Forums to improve the effectiveness of supervision
- A new e-learning platform for the Global Network membership
- Report on Money Laundering and the Illegal Wildlife Trade
- Responses to COVID-19

FATF WEBINAR ON COVID-19 AND THE ML RISK LANDSCAPE

In June 2020, the FATF plenary agreed to hold a series of **virtual webinars** over the summer, drawing together expertise from the FATF Global Network and the private sector to build on the publication COVID-19 related Money Laundering and Terrorist Financing Risks and Policy Responses.

We're pleased to inform you that the date for the first webinar on COVID-19 and the ML risk landscape will be on **Thursday 30 July**. The second webinar, on detecting ML threats in light of changing customer profiles and ensuring operational resiliency of reporting entities, will be on **Friday, 31 July**. More information on the webinars, including the agenda, registration details and list of non-government invitees, will be circulated later this month.

In the meantime, if you have any questions on the planned webinars, please reach out to the FATF RTMG Secretariat (rtmg@fatf-gfi.org).

PUBLIC CONSULTATION - RECOMMENDATION 1 AND ITS INTERPRETIVE NOTE

The FATF is seeking comments on its proposal for amendments to Recommendation 1 and its Interpretive Note to require countries and the private sector to identify and assess the risks of potential breaches, non-implementation or evasion of the targeted financial sanctions related to proliferation financing, as contained in FATF Recommendation 7, and to take action to mitigate these risks. The draft text of proposals for amendments is available [here](#). Please provide your response to FATF.Publicconsultation@fatf-gafi.org by 31 August 2020 (18h00 UTC). For details, please refer to [here](#).



OUTCOMES OF FATF VIRTUAL PLENARY, 24 JUNE 2020



FATF President Xiangmin Liu chaired the third and last Plenary meeting under the Chinese Presidency. As the world continues to grapple with the devastating human and economic impact of the COVID-19 pandemic, the FATF held this Plenary meeting as a virtual event due to lockdown measures and travel restrictions. Nevertheless, the FATF kept up its important work, particularly as new ML/TF threats and vulnerabilities have emerged during the crisis.

1. Strategic Initiatives

- Mitigating the money laundering and terrorist financing risks of virtual assets - 12-Month Review of Revised FATF Standards - Virtual Assets and VASPs
- FATF Report to the G20 on so-called 'Stablecoins'

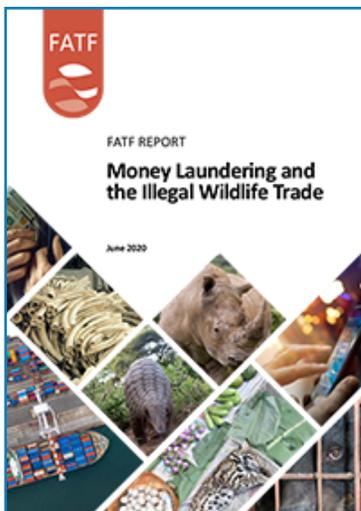
2. Country-specific processes - Jurisdictions under increased monitoring

- High-Risk Jurisdictions subject to a Call for Action – 30 June 2020
- Jurisdictions under Increased Monitoring – 30 June 2020

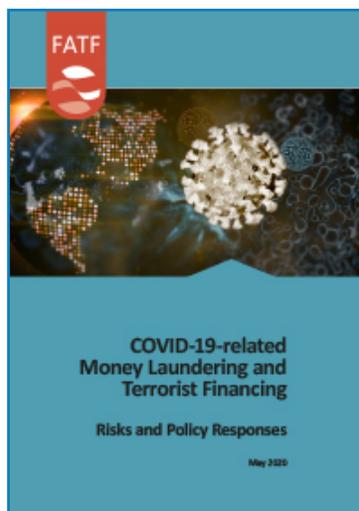
3. Other Strategic Initiatives

- Strategic review of the FATF Global Network assessment processes
- Report on Money Laundering and the Illegal Wildlife Trade
- Promoting and facilitating more effective supervision at national level
- Strengthening measures to prevent the financing of proliferation of weapons of mass destruction
- Discussion of the priorities under the German Presidency of the FATF

HIGHLIGHTED PUBLICATIONS



The illegal wildlife trade is a major transnational organised crime, which generates billions of criminal proceeds each year. Using input from jurisdictions across the FATF's Global Network, private sector and civil society, this report finds most countries are not taking sufficient action, even those directly impacted by this crime. The report confirms that the FATF Standards are a useful framework to stop money laundering of illegal wildlife trade, but that greater political commitment and continued focus on this issue is needed. The report recommends practical actions that countries can take.



The COVID-19 pandemic has led to unprecedented global challenges, human suffering and economic disruption. It has also led to an increase in COVID-19 related crimes, including fraud, cybercrime, misdirection or exploitation of government funds or international financial assistance, which is creating new sources of proceeds for illicit actors. Using information provided to the members of the FATF Global Network, this paper identifies challenges, good practices and policy responses to new money laundering and terrorist financing threats and vulnerabilities arising from the COVID-19 crisis.



The FATF has completed a review of the implementation of its revised Standards on virtual assets and virtual asset service providers, 12 months after the FATF finalized these amendments. The June 2019 revisions to the FATF Standards clearly placed AML/CFT requirements on virtual assets and VASPs. The FATF also agreed to undertake a 12-month review by June 2020 to measure how jurisdictions and the private sector have implemented the revised Standards, as well as monitoring for any changes in the typologies, risks and the market structure of the virtual assets sector.



So-called stablecoins have the potential to spur financial innovation and efficiency and improve financial inclusion. While so-called stablecoins have so far only been adopted on a small-scale, new proposals have the potential to be mass-adopted on a global scale, particularly where they are sponsored by large technology, tele-communications or financial firms. In October 2019, the G20 asked the FATF to consider the anti-money laundering and counter-terrorism financing issues relating to so-called stablecoins. This report sets out the FATF's views on so-called stablecoins.

FOR MORE INFORMATION



National and regional risk assessments



Latest consolidated assessment ratings



www.fatf-gafi.org



Contact@fatf-gafi.org

FOLLOW US:

