



Lead by example

There are hundreds of ways to conceal the source of illicit money. It is one reason why so many countries' financial systems are exposed to money laundering, terrorist financing and proliferation financing. Yet even as the G20 publicly calls for the full implementation of Financial Action Task Force standards around the globe, not all G20 members have taken effective action to make a real difference. This must change.

WHAT'S THE PROBLEM?

Money laundering is not a victimless crime and the ramifications of ineffective action are real. Failing to take action means

The G20 has publicly called for full implementation of FATF standards around the world, yet much more must be done to tackle money laundering and take the profits out of crime

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organised criminals trafficking people, drugs, arms and wildlife, and corrupt stakeholders and terrorists, operating with impunity. Taking the profits out of these crimes will protect people, the environment and the economy. The G20 must start leading by example and act now to stop money laundering.

If FATF standards are fully implemented, they make a huge difference. However, the unpleasant truth is that many countries have not done enough to enforce the rules effectively. As a result, these countries remain global hubs for illicit finance by, for example, allowing secrecy about company ownership. Even minor failings in

implementing standards can trigger big consequences in global financial centres, which inevitably attract a greater share of illicit funds.

WHAT CAN G20 LEADERS DO?

G20 members must root out criminality by tracing illegal profits. All countries should do the following:

- Effectively regulate and supervise both the financial sector and the non-financial sector such as lawyers, accountants, and trust and company service providers, because they are vulnerable to money laundering and tax evasion.
- Ensure the rapid availability of information on beneficial ownership, namely the real people hiding behind anonymous shell companies frequently used to launder the proceeds of crime, fund terrorism and evade sanctions.
- Set up and expand public-private partnerships to share crucial information, so that the billions spent on compliance by banks start to generate real results.
- Ensure law enforcement agencies have the skills and resources to conduct financial investigations, and a broad range of powers and measures to seize and confiscate the proceeds of crime, including through international cooperation.

G20 members, as members of the FATF, have repeatedly committed to leading in these areas and fully implementing FATF standards. Yet not all have done enough in politically challenging sectors. It is time to do so now.

HOW CAN THE FATF HELP?

The FATF is committed to supporting all countries, including members of partner organisations. It is committed to providing guidance and best practices for countries and to offering training for officials in more than 200 jurisdictions.

Under its German presidency, the FATF is prioritising work to tackle some of the major challenges facing societies. This includes looking at ways of boosting the use of new technology to aid compliance professionals and anti-money laundering agencies, while respecting a high level of data protection. Artificial intelligence, machine learning and big data can potentially tackle financial crime faster and cheaper, by detecting anomalies more efficiently. As banks spend billions each year on financial crime defences, it is crucial that the FATF analyses the opportunities of new technology, as well as the risks, to help share best practices.

The FATF is also focusing on the financial flows connected to environmental crime, building on its recent work on illegal wildlife trade. Organised crime groups trafficking in wildlife potentially spread diseases shared between animals and people, of which the public health risks have never been greater. Trafficking waste and dangerous substances leads to



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non-professional waste disposal and puts people's lives in danger.

Given the rising scourge of racially or ethnically motivated terrorism, the FATF is working on identifying the funding behind these individuals and groups, in a bid to tackle the growing number of attacks inspired by far-right ideology.

Moreover, the FATF will also prioritise work on migrant smuggling, with the aim of preventing criminals and terrorists from profiting from refugees and people in precarious situations, who risk their lives on unseaworthy rubber boats, for example. And by looking closer at illicit arms trafficking as a source of financing, the FATF seeks to hamper the support of terrorist groups.

G20 members will be involved in these important initiatives. The FATF urges the G20 to set an example and effectively implement all the FATF standards, including in politically challenging areas, and to spur other countries into action. By taking the profits out of crime, G20 governments can create safer societies, protect economic stability and promote sustainable, inclusive growth. These are goals worth fighting for. 🌐