



Financial Action Task Force
Groupe d'action financière

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FOREWORD BY THE FATF PRESIDENT



I am pleased to introduce the 19th Annual Report of the Financial Action Task Force (FATF), which summarises the progress made by the FATF in combating money laundering and terrorist financing during the United Kingdom's (UK) Presidency year.

One of my key priorities has been to develop a more open and constructive working partnership with the private sector in order to raise awareness of the FATF's work, to inform FATF policymaking and to encourage more effective implementation of AML/CFT measures. We have made significant progress on this front, including the first ever meeting with representatives of the private sector to discuss specific money laundering and terrorist financing methods; the establishment of a private sector consultative forum so that the

FATF has an open dialogue with private sector stakeholders on AML/CFT issues; and the publication of new guidance on the risk-based approach for accountants, dealers in precious metals and precious stones, real estate agents, and trust and company service providers.

In April 2008, we convened a meeting of FATF Ministers, chaired by the UK Chancellor of the Exchequer. Ministers discussed the work of the FATF to address the global challenges of crime and terrorism to the financial system. They endorsed the revised FATF mandate which now allows the FATF to build on its core functions, focus on the right strategic issues and gives it the necessary flexibility to respond to new and emerging threats to the international financial system. The meeting was a key element in delivering increased accountability of the FATF to Ministers.

Over the past year the FATF has worked to strengthen the global implementation of the FATF standards. This has included working with the FATF-style regional bodies (FSRBs) and with other international organisations to develop guidance to support the effective implementation of the FATF standards in low capacity countries. I have visited six of the eight FSRBs during the year and have been impressed with their commitment and the progress they are making, often with a very low resource base. There are now 180 jurisdictions committed to implementation of the FATF standards.

The FATF has also developed a new surveillance process which is aimed at identifying and working with vulnerable jurisdictions that are failing to implement effective AML/CFT systems. Where the FATF has considered that private discussions are not delivering the desired outcomes, it will not hesitate to make its concerns public. Over the past year the FATF has produced public statements on five jurisdictions and one area of concern, drawing attention to the deficiencies in these regimes.

The FATF has continued its typologies work, finalising reports on Terrorist Financing, Proliferation Financing, Money Laundering/Terrorist Financing Threat Assessment Strategies and Money Laundering and Terrorist Financing Vulnerabilities of Commercial Websites and Internet Payment Systems. The FATF has also introduced a new surveillance function to identify and examine emerging threats, including committing to produce a Global Threat Assessment. This will allow the FATF to be more strategic and forward looking in identifying new threats, enabling a more efficient, rapid and focused policy response.

The FATF has taken action to combat the threat posed by the proliferation of weapons of mass destruction, and their financing. Two guidance papers have been issued to assist governments and financial institutions in implementing their obligations under relevant UNSCRs. UN Security Council Resolution 1803 recently acknowledged the work of the FATF in this area.

I have thoroughly enjoyed my year as FATF President. I have been struck by the immense amount of hard work across the globe going into fighting money laundering and terrorist financing, and by the commitment to the FATF standards. I thank the members of the FATF and FSRBs, and the FATF Secretariat for their support during my Presidency. Recognising the limitations of a one year Presidency, the UK worked closely with our immediate predecessors, Canada, and with the succeeding Presidencies, Brazil and the Netherlands, to ensure a high degree of continuity in the FATF's work programme. I would like to wish my successor, Mr. Antonio Gustavo Rodrigues, the very best for his term as President.

Sir James Sassoon
FATF President

INTRODUCTION BY THE EXECUTIVE SECRETARY

It was an honour for me to take up the position of Executive Secretary of the FATF on 24 September 2007. The FATF is the focal point for international action against money laundering and terrorist financing and its importance in helping to promote greater security to the international financial system is increasing.



From the perspective of a newcomer to the internal workings of the FATF but with experience in other places in relation to anti-money laundering and counter-terrorist financing, it is apparent to me that the task force model on which the FATF is based is an effective and efficient mechanism for making real progress. That progress has been amply demonstrated again this year. The fast pace of action taken by the FATF is testament to the commitment of its members and members of the FSRBs as well as private sector representatives with whom we work.

The most important strategic outcome of the year was the approval by FATF Ministers of a revised mandate for the FATF. The four principal objectives of the FATF under this revised mandate are: to establish and maintain global standards and measures for countering money laundering and terrorist financing; to foster and assess the implementation of those standards; to identify money laundering and terrorist financing methods and trends; and, to expand co-operation with FATF stakeholders and partners in order to make the system work effectively and globally. It is very pleasing to see that in relation to each of these objectives a great deal has already been achieved and more is in train.

For example, the FATF standards have now been endorsed directly by 180 jurisdictions, representing more than 85% of the world. A rigorous process of assessment is well underway with two thirds of the FATF members having been evaluated already. Assessment programmes are also underway in all the FSRBs as well as by our international financial institution partners, the International Monetary Fund and the World Bank. Together we have evaluated the AML/CFT systems in more than 72 jurisdictions and these reports are all publicly available for use by legislators, government officials, financial institutions and others.

One of the FATF's great strengths is its close and co-operative set of relationships with international organisations, regional bodies and their members, international financial institutions, financial institutions and non-financial businesses and professions. The standards, the evaluations and the typologies produced benefit from the combined expertise contributed by all of these stakeholders. This co-operative approach by the FATF does not however mean that the FATF shies away from difficult issues. Far from it. This year the FATF has closely examined the lack of effective AML/CFT systems in some areas of the globe and the lack of international co-operation afforded by certain jurisdictions. This culminated in June 2008 with the release of an FATF statement which publicly reaffirmed FATF concerns regarding the AML/CFT risks posed by Uzbekistan, Iran, Pakistan, Turkmenistan and São Tomé and Príncipe, and the northern part of Cyprus.

I would like to thank Sir James Sassoon for the drive, energy and focus that he and his support team have brought to the FATF during the UK Presidency this year.

I would also like to thank the hard working co-chairs of the FATF's Working Groups with whom the Secretariat works so productively, the FATF delegations, both members and observers, and, of course, the staff of the Secretariat who support the FATF's work so professionally notwithstanding the ever-increasing workload.

This Annual Report provides an overview of the work that the FATF has done during the year. The relevance and reach of the FATF's work has greatly expanded. I hope that this report, in addition to the FATF's website and newsletter, will give readers an insight into the challenges that are being faced and the progress that is being achieved against the global threats of money laundering and the financing of terrorism.

*Rick McDonell
Executive Secretary*

I. OVERVIEW OF THE FATF

1. The Financial Action Task Force (FATF) is an inter-governmental policy-making body whose purpose is to establish international standards, and develop and promote policies, both at national and international levels, to combat money laundering and terrorist financing.

2. It was established in July 1989 by a Group of Seven (G-7) Summit in Paris, initially to examine and develop measures to combat money laundering. At that time the FATF comprised 15 jurisdictions plus an international organisation. In addition to the G-7 Summit participants (Canada, France, Germany, Italy, Japan, United Kingdom and the United States), the European Commission, Australia, Austria, Belgium, Luxembourg, the Kingdom of the Netherlands, Spain, Sweden and Switzerland were invited to join the Task Force in order to enlarge its expertise and to reflect the views of other countries particularly concerned by or having experience in the fight against money laundering. In October 2001, the FATF expanded its mandate to incorporate efforts to combat terrorist financing, in addition to money laundering. Since its inception, the FATF has operated under a finite life-span, requiring a specific mandate to continue. The current mandate of the FATF (for 2004-2012) was subject to a mid-term review and was approved and revised at a Ministerial meeting in April 2008¹.

3. The four essential objectives of the FATF under its current mandate (September 2004 to December 2012, as revised) are to:

- Revise and clarify the global standards and measures for combating money laundering and terrorist financing.
- Promote global implementation of the standards.
- Identify and respond to new money laundering and terrorist financing threats.
- Engage with stakeholders and partners throughout the world.

4. The FATF has established the international standards for combating money laundering and terrorist financing: the *40+9 Recommendations*. The FATF issued its first set of international anti-money laundering standards in 1990: the *Forty Recommendations on Money Laundering*. These Recommendations were revised in 1996 so as to take into account changes in money laundering methods, techniques and trends. In October 2001, the FATF expanded its mandate and issued *Eight Special Recommendations* to deal with the issue of terrorist financing. The continued evolution of money laundering techniques led the FATF to revise the FATF standards comprehensively in June 2003. In October 2004, the FATF published a ninth Special Recommendation, further strengthening the agreed international standards for combating money laundering and terrorist financing – the *40+9 Recommendations*².

¹ See [Annex 1](#) for the current FATF mandate.

² The FATF standards and many documents mentioned in this Annual Report can be found on the FATF website www.fatf-gafi.org. See [Annex 2](#) for a list of FATF documents published this year.

5. The FATF standards have been endorsed directly by 180 jurisdictions around the world³, as well as by the Boards of the International Monetary Fund (IMF) and the World Bank (WB). In addition, the United Nations (UN) Security Council in its Resolution 1617 of July 2005 stated that it “strongly urges all Member States to implement the comprehensive international standards embodied in the FATF *Forty Recommendations on Money Laundering* and the FATF *Nine Special Recommendations on Terrorist Financing*”.

6. The FATF works to generate the necessary political will to bring about national legislative and regulatory reforms in the areas addressed by the *40+9 Recommendations*. Consistent with its mandate, today’s priority of the FATF is to ensure global action to combat money laundering and terrorist financing, and concrete implementation of its *40+9 Recommendations* throughout the world. Starting with its own members, the FATF monitors countries' progress in implementing anti-money laundering and counter-terrorist financing (AML/CFT) measures and promotes the adoption and implementation of the *40+9 Recommendations* globally. The FATF also regularly examines methods, techniques and trends of money laundering and terrorist financing to ensure the continued relevance of its policies and standards and to inform governments and the private sector of particular money laundering and terrorist financing threats.

7. The FATF currently comprises thirty-four members: 32 member jurisdictions and two regional organisations (the European Commission and the Gulf Co-operation Council), representing most major financial centres in all parts of the globe. Additionally, the Republic of Korea and India became observers on 27 July 2006 and 27 November 2006 respectively, and both are currently working towards becoming FATF members. The FATF members and the two prospective members bring a wide range of expertise to the work of the FATF, with delegations comprising experts in financial, regulatory, legal and law enforcement matters.

Table 1: FATF members

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

8. In performing its work, the FATF collaborates closely with international and regional organisations that are involved in combating money laundering and terrorist financing. The FATF has developed strong partnerships with these organisations in order to constitute a global network of organisations against money laundering and terrorist financing. The primary FATF partners are the eight FATF-style regional bodies (FSRBs), which play important leadership roles in their respective regions. The FSRBs bring together, on a regional basis, jurisdictions that have committed to implementing the *40+9 Recommendations* and have agreed to undergo mutual evaluations of their AML/CFT systems. Five of these FSRBs are associate members of the FATF: the Asia/Pacific Group on Money Laundering (APG), the Caribbean Financial Action Task Force (CFATF), the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL), the Grupo de Acción Financiera de Sudamérica (GAFISUD) and the Middle East and North Africa Financial Action Task Force (MENAFATF). The FATF is working closely with each of

³ See [Annex 3](#) for a list of jurisdictions which have committed themselves to implementation of the 40+9 Recommendations.

the remaining FSRBs⁴ to assist them in achieving associate membership status, and has a close and productive partnership with the Offshore Group of Banking Supervisors (OGBS). There are also 19 observer organisations involved in the work of the FATF, notably including the IMF the WB, the UN and the Egmont Group of Financial Intelligence Units.

9. Decisions of the FATF are taken by its 34 Members, in plenary meetings, by consensus. Where required, decisions may also be taken electronically outside of plenary meetings. In order to ensure that it functions efficiently, most FATF initiatives are developed within working groups, with final decisions taken by the plenary. The plenary is assisted by a secretariat and chaired by the FATF President. While the FATF Secretariat is housed at the Headquarters of the Organisation for Economic Co-operation and Development (OECD) in Paris, France, the FATF is a fully independent body.

⁴ Eurasian Group on combating money laundering and financing of terrorism (EAG), Eastern and South African Anti Money Laundering Group (ESAAMLG) and Groupe Inter-gouvernemental d'Action Contre le Blanchiment en Afrique (GIABA).

II. THE STANDARDS

10. The FATF has established the *40+9 Recommendations*, which, together with their interpretative notes, constitute the international standards for combating money laundering and terrorist financing. Within the FATF, two working groups have particular roles with respect to refinement of the standards and processes for evaluating their implementation by jurisdictions; the Working Group on Terrorist Financing and Money Laundering (WGTM) and the Working Group on Evaluations and Implementation (WGEI).

The FATF Standards

The 40 Recommendations, including the interpretative notes to the 40 Recommendations

The 9 Special Recommendations on Terrorist Financing, along with their interpretative notes

Working group on terrorist financing and money laundering

11. The WGTM assists the plenary by considering work carried out by the Working Group on Typologies (WGTYP) and, where appropriate, developing and proposing interpretation or guidance to the FATF standards, or changes to the *AML/CFT Methodology 2004*, that address the money laundering or terrorist financing risks identified by the WGTYP.

12. The WGTM also fosters dialogue between FATF members concerning issues that arise from their domestic review of AML/CFT measures, including identifying common elements and characteristics of affected sectors. Where FATF members raise concerns in relation to any other terrorist financing, money laundering or illicit financial issues, the WGTM may also develop interpretation of or guidance for the FATF standards or changes to the *AML/CFT Methodology 2004* and present these to the plenary for consideration.

13. As a result of analysis conducted by the WGTM, in February 2008 the FATF plenary agreed that the *Interpretative Note to Special Recommendation VII* and the *AML/CFT Methodology* should be amended to reflect that, for the purposes of SRVII, intra-European Union wire transfers should be treated as *domestic wire transfers*.

14. In June 2008, the FATF plenary endorsed best practices for combating trade-based money laundering. These were developed by the WGTM after the plenary considered the 2006 FATF typologies report on *Trade Based Money Laundering* and determined that a project should commence to explore whether the risks of trade-based money laundering are being adequately addressed by the existing FATF standards and measures. The new best practices paper is designed to improve the ability of government authorities to collect and effectively utilise trade data, both domestically and internationally, for the purpose of detecting and investigating money laundering and terrorist financing through international trade⁵. The FATF will continue to explore vulnerabilities in the trade system, including those related to trade finance, with a view to identifying other measures that could be considered in combating illicit use of international trade systems.

⁵ The best practices paper will soon be published on the FATF website, www.fatf-gafi.org.

15. During the year, the WGTM also considered the issues arising from two FATF typologies reports released in early 2007; *Complex Money Laundering Techniques, Regional Perspectives* and *Laundering the Proceeds of VAT⁶ Carousel Fraud*. The plenary endorsed the WGTM's analysis that the standards do not need to be amended as a result of the insight gained through these projects.

Working group on evaluations and implementation

16. The WGEI assists the plenary through monitoring, co-ordinating and reviewing the mutual evaluation processes and procedures, and taking steps, as appropriate, to enhance the quality, consistency and transparency of the evaluation/ assessment reports of the FATF, associate members, FSRBs, the OGBS, the IMF and the WB.

17. The WGEI serves as a point of contact between the FATF, the FSRBs, the OGBS and the international financial institutions (IFIs)⁷ on matters related to the WGEI mandate. It fosters dialogue with the private sector concerning issues related to the implementation of the *40+9 Recommendations*, including overseeing the work of the Electronic Advisory Group on the Risk Based Approach. The WGEI develops interpretation and guidance to the FATF standards and changes to the *AML/CFT Methodology 2004* as necessary and presents these to the FATF plenary for consideration. The WGEI also defines and coordinates the process of training potential assessors in the use of the *AML/CFT Methodology 2004*.

18. This year, the WGEI has created guidance for assessors in determining what constitutes 'other enforceable means' for the purposes of an evaluation. The resulting 'Note to Assessors' has been incorporated in the *AML/CFT Methodology 2004* (see [Chapter 3](#)).

19. The WGEI has been responsible for implementing the FATF-XIX priority of substantially increasing interaction and joint work with the private sector. This initiative has resulted in publication of four pieces of guidance on implementing a risk-based approach to combating money laundering and terrorist financing. In June 2008, guidance was issued for accountants, dealers in precious metals and stones, real estate agents, and for trust and company service providers (see further details on the FATF's work with the private sector in [Chapter 5](#) of this report).

Guidance

Combating the financing of WMD proliferation

20. In October 2007, the FATF finalised new guidance on the implementation of financial prohibitions to combat the threat of proliferation of weapons of mass destruction (WMD). This guidance represents a major step forward in the implementation of financial measures contained within UN Security Council Resolution 1737, and is designed to facilitate further cooperation between national governments and financial institutions in relation to the fight against WMD proliferation financing. This work builds on guidance published previously by the FATF in June and September 2007 to assist jurisdictions in the implementation of the targeted financial sanctions contained within UN Security Council Resolution 1737. The United Nations Security Council welcomed this guidance in its Resolution 1803.

21. In October 2007, the FATF agreed that the work being conducted within the WGTM on combating proliferation financing in response to UN Security Council Resolutions will continue. To that end, a new typologies study on the threat of proliferation financing was finalised in June 2008.

⁶ Value added tax.

⁷ The International Monetary Fund and the World Bank.

Guidance for low capacity countries

22. At its meeting in February 2008, the FATF adopted new guidance developed by the WGEI to support the full and effective implementation of the FATF standards in low capacity countries. This guidance focuses on key implementation priorities such as co-operation, engagement, prioritisation and planning. The guidance seeks to assist countries to implement the standards in a manner reflecting their national institutional systems and consistent with the money laundering and terrorist financing risks they face, and in a way which takes account of their sometimes limited resources.

III. MUTUAL EVALUATIONS

The mutual evaluation process

23. The mutual evaluation process represents a key component of the FATF's work as it is through this process that the FATF monitors the implementation of the *40+9 Recommendations* in its member jurisdictions, and assesses the overall effectiveness of AML/CFT systems. Similarly, it is a core role for the FSRBs to conduct mutual evaluations of their member jurisdictions. The IFIs also conduct evaluations of jurisdictions' AML/CFT systems in much the same way as the FATF and FSRB evaluations, using the same methodology.

Key Reference Materials for Assessors

The FATF Standards
**AML/CFT Handbook for
Countries and Assessors 2004**
AML/CFT Methodology

24. Each FATF member jurisdiction is examined in turn by the FATF, or in some cases by the IMF, with the final report adopted by the FATF. The scope and purpose of these evaluations is to assess whether the necessary laws, regulations or other measures required under the new standards are in force and effect, that there has been a full and proper implementation of all necessary measures and that the system in place is effective. The FATF has developed comprehensive and detailed procedures to conduct its mutual evaluations, and these help to ensure fair, proper and consistent evaluations of all jurisdictions, regardless of the assessment team used. The evaluations are based on the FATF *40+9 Recommendations* and carried out using the *AML/CFT Methodology of 2004*⁸. The *AML/CFT Handbook for Countries and Assessors 2004* provides instructions and guidance for all countries and bodies that are undertaking assessments.

25. The assessment is a process which takes approximately ten months to one year to complete. It is conducted by a team commonly of four to six selected experts in the legal, financial and law enforcement fields from other member governments, and two members of the FATF Secretariat. During this process, the team makes an on-site visit to the country and drafts a detailed report which provides an assessment of the extent to which the evaluated country has moved forward in implementing an effective AML/CFT system and also highlights areas in which further progress may still be required.

The 3rd round of evaluations

26. The third round of mutual evaluations for FATF members began in January 2005. Five FATF mutual evaluations were finalised this year (2007-2008) and two mutual evaluations of Gulf Co-operation Council member countries – Qatar and the United Arab Emirates – were considered and adopted. With the recent evaluations of the Russian Federation and Hong Kong, China, 21 of the 32 FATF jurisdiction members have been evaluated in this third round.

⁸ As most recently updated in February 2008.

Table 2: FATF members assessed in the 3rd round

Plenary Date	Evaluation Reports Considered		
June 2005	Belgium	Norway	
October 2005	Australia	Italy ⁹	Switzerland
February 2006	Ireland	Sweden	
June 2006	Denmark ⁸	Spain	United States
October 2006	Iceland	Portugal	
February 2007	Turkey		
June 2007	China	Greece	United Kingdom
October 2007	Finland		
February 2008	Canada	Singapore	
June 2008	Russian Federation	Hong Kong, China	

27. In support of increased transparency, the FATF mutual evaluation reports are shared with all members and observers, are discussed in open session in the FATF plenary, and are, along with summaries of their key findings, available on the FATF website once adopted¹⁰.

28. Sharing of reports between all assessor bodies is fundamental in order for the FATF, FSRBs and IFIs to ensure consistency in the application of the FATF *40+9 Recommendations* and effective implementation of the standards. Significant progress has been made in recent years to enhance sharing, particularly between the FATF and the FSRBs. Almost all the bodies engaged in conducting AML/CFT evaluations or assessments have taken steps forward by agreeing to share their reports with their partner assessment bodies on a reciprocal basis and most have agreed to publish assessment reports on their websites. See *Annex 4* for a list of the 75 jurisdictions which have been evaluated using the *Methodology for Assessing Compliance with the FATF 40 Recommendations and the FATF 9 Special Recommendations*, 27 February 2004, and for which reports have been published by the relevant assessment body.

29. Under the agreed procedures for the third round of evaluations, FATF member jurisdictions must submit a report to the FATF two years after their evaluation (or in some cases earlier), indicating their progress made since the evaluation and in particular highlighting progress made in areas where the evaluation concluded that their AML/CFT system needed to be strengthened. Thirteen FATF members have submitted follow up reports to the FATF plenary noting the progress they have made since their evaluations and all have reported on further progress made in their countries to implement the *40+9 Recommendations*.

Table 3: FATF members which have submitted follow up reports

Plenary Date	Follow-up Reports Provided		
June 2007	Belgium	Norway	
October 2007	Australia	China	Greece
	Italy ¹¹	Switzerland	
February 2008	China	Ireland	Sweden
	Greece		
June 2008	China	Denmark ⁸	Greece
	Norway	Spain	United States

⁹ Draft evaluation report prepared by the IMF using the agreed *AML/CFT Methodology*, and report discussed and agreed by the FATF.

¹⁰ www.fatf-gafi.org

¹¹ Draft evaluation report prepared by the IMF using the agreed *AML/CFT Methodology*, and report discussed and agreed by the FATF.

Evaluations by FATF-style regional bodies

30. During the year, 31 evaluations were completed of members of FSRBs, including the joint FATF/EAG evaluation of China. As with the reports from FATF mutual evaluations, most of these reports have already been published and can be found on the FSRBs' websites.

Table 4: FSRB members' assessments finalised, July 2007 - June 2008

APG	Cambodia	Chinese Taipei	Macao,China	Malaysia	Mongolia
	Thailand				
CFATF	Bahamas	Bermuda	Cayman Islands		
EAG	China ¹²				
ESAAMLG	Botswana	Namibia	Zimbabwe		
GAFISUD	Ecuador				
GIABA	Cape Verde	Nigeria	Senegal		
MENAFATF	Morocco	Qatar	United Arab Emirates		Yemen
MONEYVAL	Andorra	Bulgaria	Croatia	Czech Republic	Liechtenstein
	Malta	Moldova	Monaco	Poland	San Marino

Evaluator training

31. The FATF, the IFIs and the FSRBs provide five-day training programmes for prospective assessors from governments which are members of the FATF and / or of one of the FSRBs. These courses ensure that there is a large pool of trained assessors available to participate in the evaluations. As far as possible, the assessment bodies use assessors who have completed a training course. Similar courses are delivered by each of the assessor bodies to ensure that all potential assessors have been trained in the same way and have achieved the necessary level of knowledge. Training materials are updated from time to time when the standards or evaluation methodology change. In 2007-2008 six evaluator training sessions were organised by assessor bodies.

Table 5: Mutual evaluator training courses provided by assessor bodies, 2007-2008

Date	Assessor Body	Location
30 July - 3 August 2007	APG	Singapore
11 - 15 November 2007	MENAFATF	Doha, Qatar
19 – 23 November 2007	GAFISUD	Santiago, Chile
26 - 30 November 2007	FATF	Bonn, Germany
21 – 25 January 2008	CFATF	Martinique
23 – 27 June 2008	CFATF	Port of Spain, Trinidad

The evaluation methodology

32. In February 2008 the FATF amended the *AML/CFT Methodology 2004*, incorporating in it a note to assessors outlining what should be considered when determining whether a document or mechanism has requirements that amount to 'other enforceable means'. Additionally, the *AML/CFT Methodology* was amended to reflect that, for the purposes of SRVII, intra-European Union wire transfers should be treated as *domestic wire transfers*. The February 2008 edition of the *AML/CFT Methodology* also incorporates amendments to SRVII in line with the changes to the Interpretative Note for SRVII.

¹² The FATF adopted the mutual evaluation report of China during 2006-2007. The EAG adopted the report during 2007-2008.

IV. MONEY LAUNDERING AND TERRORIST FINANCING METHODS AND TRENDS

33. The study of money laundering and terrorist financing methods, techniques and trends – ‘typologies’ – plays a key role in the FATF standard-setting process. The FATF Working Group on Typologies (WGTYP) leads this work, gathering and studying information on current money laundering and terrorist financing methods and trends. The results of these studies are made public and within the FATF are used to support FATF policy-making. FATF typologies work describes and explains the nature of money laundering and terrorist financing threats, which is instrumental to developing the most appropriate standards to maximise the global response to those threats and increase the likelihood that if it is conducted it will be detected.

The 2007-2008 typologies exercise

34. The FATF-XIX experts’ meeting on typologies was held jointly with the APG in Bangkok, Thailand from 28 to 30 November 2007. As in previous joint experts’ meetings, the 2007 meeting centred on a series of workshops followed by a round table discussion of the workshop conclusions. Each of the workshops focussed on one of the ongoing typologies projects and served as a vehicle for those working on research for those projects to validate the work done so far as well as identify any gaps in information. The four workshops for the meeting focussed on: proliferation finance, national threat assessment methodologies, money laundering and terrorist financing vulnerabilities of internet payment systems, and casino gaming (a project being led by the APG).

35. This joint experts’ meeting was the fifth using this format of specialised workshops and the third organised jointly with an FATF-style regional body. Over 110 experts contributed to the meeting, representing some 38 countries.

Three new studies on money laundering typologies

Terrorist financing methods

36. In February 2008, the FATF finalised a comprehensive study on terrorist financing. The *Terrorist Financing Report* explores the range of methods used by terrorists to move funds within and between organisations. The three main avenues for such movements are through the financial sector, by physical transportation and through the commercial trade system. Charities and alternative remittance systems have also been used to disguise movement of terrorist funds. The adaptability and opportunism shown by terrorist organisations suggests that all the methods that exist to move money around the globe are, to some extent, at risk.

37. The study identifies four strategies which could help in further strengthening counter-terrorist financing efforts: *i*) action to address jurisdictional issues, including safe havens and failed states; *ii*) outreach to the private sector to ensure access to the information necessary to detect terrorist financing; *iii*) building a better understanding of terrorist financing across the public and private sectors; and *iv*) using financial investigation, enhanced by financial intelligence.

Money laundering and terrorist financing vulnerabilities of commercial websites and internet payment systems

38. The report on *Money Laundering and Terrorist Financing Vulnerabilities of Commercial Websites and Internet Payment Systems* identifies money laundering and terrorist financing risks associated with commercial websites and Internet payment systems. It focuses on the type of electronic commerce identified as the most vulnerable to money laundering and terrorist financing: mediated customer-to-customer. It also provides a number of case studies that illustrate how mediated customer-to-customer systems can be exploited for money laundering and terrorist financing purposes.

Proliferation financing

39. The report on *Proliferation Financing* identifies and analyses the existing threat of proliferation financing and the methodologies used by the proliferators and facilitators. It examines existing measures used to counter this threat along with potential vulnerabilities in counter proliferation regimes. The report outlines a series of options that could be considered by the FATF or by countries to strengthen safeguards against proliferation financing, within the framework of existing United Nations Security Council Resolution 1540 of 2004.

National and global threat assessments

National threat assessments

40. The FATF has agreed to support countries in the development of national-level threat assessments. In June 2008 The FATF published the *National Money Laundering Threat Analysis Strategies* report that aims to assist countries to develop their own money laundering threat assessment. Drawing upon current examples of national threat assessments and other information, the report sets out key factors to be considered, including sources of data and type of assessment (risk, threat or vulnerability), measurement of law enforcement or regulatory effectiveness, and examples of national money laundering assessments. The report aims to increase the number of countries undertaking national assessments to enhance knowledge at both international and national levels. This will contribute to a greater synergy between national approaches and facilitate the development of a global analysis of emerging threats.

Global threat assessment

41. The FATF has begun a process whereby it will produce a regular global threat assessment, setting out key issues of criminal and terrorist financing concern. This initiative builds upon and complements the FATF's existing typologies work. This new threat assessment is being developed from enhanced surveillance of international money laundering and terrorist financing risks, which commenced in March 2008. The global threat assessment will help national governments and the private sector take actions to deal with international threats.

V. THE GLOBAL NETWORK

The FATF membership

42. The FATF granted the Republic of Korea (Korea) observer status in July 2006. Korea has been a member of the APG since 1998 and held the position of APG co-chair for a two year period during 2002-2004. In February 2008, a contact group which had been working with Korea on its membership accession recommended to the FATF plenary that Korea was ready to undertake a mutual evaluation for membership purposes. The plenary agreed and a mutual evaluation of Korea has been scheduled for late 2008, with consideration of its outcome and a decision on Korea's full membership in the FATF planned for June 2009.

43. The FATF granted India observer status in November 2006, and in February 2007 delegates welcomed India to the FATF plenary meeting in Strasbourg. A contact group has been working with India since that time. India has been a member of the APG for nearly ten years and was a member of the APG Steering Group in 2005/2006.

44. In February 2008, the FATF welcomed the CFATF as the fifth associate member. Associate membership gives the FATF-style regional bodies a greater decision-making role within the FATF. Since its creation in 1992, the CFATF has been working with its member states to implement anti-money laundering and counter-terrorist financing measures in the Caribbean basin region¹³.

45. During 2006 and 2007 the FATF Ad Hoc Group on Membership (AHGM) undertook a comprehensive review and developed proposals for an FATF policy on membership. Its tasks included: development of a policy for future development of the FATF membership, conduct of a study on the institutional implications of further expansion of the FATF membership and codification of the FATF's policy for observers. The AHGM concluded its work this year. In February 2008 the FATF plenary endorsed its revised criteria for FATF membership (see [Annex 5](#)) and in June 2008 the FATF plenary endorsed the criteria for FATF observers (see [Annex 6](#)). The work of the AHGM and subsequent discussion and decisions by the plenary underscored the importance to the FATF of working closely with all countries to have a truly global network committed to the fight against money laundering and terrorist financing. It also underscored the importance to the FATF of having a flexible and forward-looking task force able to quickly adapt and take decisions. Currently, the FATF is focussing on the accession of Korea and India and on ensuring the best possible partnership with the associate members and other FSRBs. Once these initiatives are completed, the FATF will next consider the structure of the global AML/CFT architecture, including the enhanced role played by associate members and FSRBs, and FATF membership.

¹³ The 30 members of CFATF are: Antigua & Barbuda, Anguilla, Aruba, The Bahamas, Barbados, Belize, Bermuda, The British Virgin Islands, The Cayman Islands, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Republic of Haiti, Honduras, Jamaica, Montserrat, the Netherlands Antilles, Nicaragua, Panama, St. Kitts & Nevis, St. Lucia, St. Vincent & The Grenadines, Suriname, The Turks & Caicos Islands, Trinidad & Tobago, and Venezuela.

Joint FATF/FSRB membership

46. Thirteen of the 34 FATF members are also members of one or more of the FSRBs, which provides a close link between the work of the FATF and the work of the FSRBs. Additionally, two of the jurisdictions within the Kingdom of the Netherlands – Aruba and the Netherlands Antilles – are members of an FSRB. And two FATF members – France and the Netherlands – are currently members of MONEYVAL, as designated by the FATF, for a two year period. Joint membership by these jurisdictions aids consistency of approach in the work of these bodies and supports effective information sharing between them. The input of joint members has also proven useful when the FATF and an FSRB are collaborating on typologies or other projects and when joint meetings are held.

Table 6: FATF members which are also members of FSRBs

FATF Member Jurisdiction	FSRB Membership
Argentina	GAFISUD
Aruba (Kingdom of the Netherlands)	CFATF
Australia	APG
Brazil	GAFISUD
Canada	APG
France	MONEYVAL
Hong Kong, China	APG
Japan	APG
Kingdom of the Netherlands	MONEYVAL
Mexico	GAFISUD
Netherlands Antilles (Kingdom of the Netherlands)	CFATF
New Zealand	APG
People's Republic of China	EAG
Russian Federation	EAG and MONEYVAL
Singapore	APG
South Africa	ESAAMLG
United States	APG

Joint initiatives with the associate members and other FATF-style regional bodies

47. For more than 10 years, the FATF has worked to support the development of FSRBs as an important means of ensuring a truly global effort is in place to combat money laundering and terrorist financing and to ensure effective implementation of the FATF standards in all regions of the world. Increasingly, the FATF and all FSRBs are working closely together, with consistent approaches to many fundamental matters and procedures and joint initiatives. The FATF collaborates on an ongoing basis with other international bodies involved in combating money laundering and terrorist financing and pursues several joint initiatives each year.

48. The FATF Secretariat has also been conducting preliminary reviews of draft mutual evaluation reports prepared by FSRBs and has provided comments to the FSRBs' Secretariats for consideration when the FSRBs consider and adopt the reports. These comments are designed to ensure consistency of evaluations regardless of the assessor body involved are also to assist FSRBs where necessary in further development of their assessment capabilities.

Co-operation with international organisations

49. The FATF and the IFIs have continued to co-ordinate their activities closely, in particular in the area of AML/CFT evaluations and assessments. Increasingly the IFIs work collaboratively with FSRBs on assessments of jurisdictions' AML/CFT systems (see [Table 3](#) above). This year, the IMF commenced, and in many cases concluded, assessments of Djibouti, Mauritius, Mexico, Palau and Paraguay; and the World Bank commenced, and in many cases concluded, assessments of Angola, Cameroon, Central African Republic, Honduras, Malawi and the West African Economic and

Monetary Union (WAEMU). The FATF has also continued to work closely with the IFIs in other areas, including a review conducted by the FATF, IFIs and FSRBs of the quality and consistency of evaluation/assessment reports and through ongoing co-operation in the provision of assessor training.

50. In April, the FATF Secretariat provided a two day seminar to staff of the United Nations 1267, 1373 and 1540 Committees. This briefing provided a detailed overview of the FATF *40+9 Recommendations*, the evaluation process and its methodology, as well as discussion of the complementary roles of the FATF, FSRBs and IFIs and new initiatives of the FATF.

International co-operation issues

51. At its October 2006 meeting, the FATF removed Myanmar from the list of countries and territories not co-operating in the international fight against money laundering. Myanmar has made progress in implementing its anti-money laundering system. The FATF will continue to monitor Myanmar during the coming year to ensure it makes further progress. In particular the FATF has advised Myanmar to enhance regulation of the financial sector, including the securities industry, and to ensure that the government responds adequately to any foreign requests for co-operation.

52. The FATF non-cooperative countries and territories (NCCT) process has been very successful. All 23 jurisdictions that were identified as NCCTs in 2000 and 2001¹⁴ are no longer on the NCCT list as they have made significant progress and many others have strengthened their anti-money laundering and counter-terrorist financing systems to ensure they would not be listed by the FATF as non-cooperative.

53. The FATF remains vigilant on international co-operation issues and will not hesitate to act if a country poses a serious threat to the international effort to combat money laundering and terrorist financing. This is demonstrated by the two statements released by the FATF this year expressing concern about the money laundering and terrorist financing risks arising from the lack of comprehensive AML/CFT systems in Uzbekistan, Iran, Pakistan, Turkmenistan, São Tomé and Príncipe, and the northern part of Cyprus¹⁵.

54. On 20 June, the FATF reaffirmed its statement of 28 February 2008 regarding the AML/CFT risks posed by Uzbekistan, Iran, Pakistan, Turkmenistan and São Tomé and Príncipe, and the northern part of Cyprus. The FATF welcomed the actions taken by its members to advise their financial institutions of these risks. The FATF was encouraged by steps taken by some jurisdictions but was concerned about the lack of progress by, in particular, Uzbekistan and Iran. The FATF will continue to assess the situation and take further action as necessary, to protect the international financial system.

Work with the private sector

55. Over the past year, the FATF President and the Secretariat undertook a series of outreach and consultation meetings with private sector representatives and industry associations. Meetings were held with major players in the financial sector, including associations and private businesses. Notably the FATF met with key private sector organisations in London in December 2007. This meeting focussed on exchange of information on money laundering and terrorist financing techniques and reflects an enhanced commitment by the FATF to engage with the private sector. The response by the private sector has been overwhelmingly constructive and productive. Representatives have noted their support for continued engagement with the FATF.

¹⁴ Bahamas, Cayman Islands, Cook Islands, Dominica, Egypt, Grenada, Guatemala, Hungary, Indonesia, Israel, Lebanon, Liechtenstein, Marshall Islands, Myanmar, Nauru, Nigeria, Niue, Panama, Philippines, Russia, St. Kitts & Nevis, St. Vincent & the Grenadines and Ukraine.

¹⁵ See the *FATF Statement on Iran*, October 2007 (English and French) and the *FATF Statement of 28 February 2008*, February 2008 (English and French) on the FATF website www.fatf-gafi.org.

56. A successful inaugural FATF-private sector meeting of experts on money laundering and terrorist financing methods and trends (typologies) was also held in December 2007. The topics discussed at the meeting focussed on: trade finance (with a focus on trade-based money laundering and proliferation financing, corruption, VAT carousel fraud and pre-paid cards. Building on the success of this meeting, the FATF has decided to integrate such joint work into its typologies programme wherever possible. During the year the FATF has increasingly sought out the advice of relevant private sector experts on its typologies reports.

57. In October 2007, the FATF launched a new online forum – the Private Sector Consultative Forum - bringing together the FATF and key private sector bodies. The forum builds on existing outreach activities and has formalised and enhanced dialogue and a partnership approach between the FATF and key private sector organisations from a wide range of sectors across the globe. Building on useful ideas raised in this forum, the FATF has agreed to initiate a joint project with the private sector on the role of intermediaries and other third parties in performing customer due diligence. The scope for improved information exchange between the public and private sectors, and for applying cost/benefit analysis to AML/CFT systems along with other possible projects, is being explored further with the private sector.

58. Some private sector consultation meetings led by the WGEI during 2005 resulted in the creation of the Electronic Advisory Group on the risk based approach. The Electronic Advisory Group on the risk based approach was set up in March 2006 and includes both public and private sector participants. This group was tasked by the FATF plenary to draft good practice guidelines on the risk-based approach (the RBA) and completed the *Guidance on the Risk-based Approach to Combating Money laundering and Terrorist Financing: High Level Principles and Procedures* in June 2007 as a joint initiative conducted by financial sector representatives with the FATF. Building on that initiative, a series of meetings have been held with representatives of various designated non-financial businesses and professions and appropriately focussed guidance on implementing a risk based approach to combating money laundering is being devised for each business/profession. In June 2008 the FATF finalised the joint work and guidance for:

- Accountants.
- Dealers in precious metals and stones.
- Real estate agents.
- Trust and company service providers.

59. These guidance papers will assist both public authorities and the private sector in applying a risk-based approach to combating money laundering and terrorist financing by:

- Supporting the development of a common understanding of what the risk-based approach involves.
- Outlining the high-level principles involved in applying the risk-based approach.
- Indicating good practice in the design and implementation of an effective risk-based approach.

Designated Non-financial Businesses and Professions

- a. **Casinos** (includes internet casinos).
- b. **Real estate agents.**
- c. **Dealers in precious metals.**
- d. **Dealers in precious stones.**
- e. **Lawyers, notaries, other independent legal professionals and accountants** – this refers to sole practitioners, partners or employed professionals within professional firms. It is not meant to refer to 'internal' professionals that are employees of other types of businesses, nor to professionals working for government agencies, who may already be subject to measures that would combat money laundering.
- f. **Trust and Company Service Providers** refers to all persons or businesses that are not covered elsewhere under these Recommendations, and which as a business, provide any of the following services to third parties:
 - acting as a formation agent of legal persons;
 - acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
 - providing a registered office; business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;
 - acting as (or arranging for another person to act as) a trustee of an express trust;
 - acting as (or arranging for another person to act as) a nominee shareholder for another person.

Communications

60. Strengthening communications with the public was a priority of the Canadian presidency for FATF-XVIII which was continued as a focus during FATF-XIX. After each of the plenary meetings this year, the FATF President has released a *Chairman's Summary* of key decisions and outcomes of the meeting. In addition, the *FATF Statement on Iran* was released during the October 2007 plenary meeting and then the *FATF Statement of 28 February 2008* (expressing concern about the lack of comprehensive AML/CFT systems in Uzbekistan, Iran, Pakistan, Turkmenistan, São Tomé and Príncipe and the northern part of Cyprus) was released during the February 2008 meeting.

61. The FATF *e-news*, now in its second year, is the FATF's newsletter, designed to provide relevant information to members of the public. It is released three times per year to provide greater visibility of the progress being made by the task force¹⁶. In addition, the FATF's public website (www.fatf-gafi.org) is its primary tool for providing information to the public¹⁷.

¹⁶ To subscribe to the alert service for the FATF e-news, please email contact@fatf-gafi.org.

¹⁷ See [Annex 1](#) for a list of FATF documents published this year.

VI. SUPPORT SERVICES AND FINANCIAL STATEMENTS

62. The work of the FATF is co-ordinated and supported by a secretariat. The FATF Secretariat is housed at the OECD in Paris, France. The work of the secretariat has expanded considerably over the years. In October 2007 the plenary decided to expand the Secretariat to ensure sufficient personnel are in place to meet the demands. During this year three additional positions have been filled, with staff to commence in the 2008-2009 year; one principal administrator, one administrator and one electronic information management officer. With these additional positions, the secretariat is now composed of 15 staff members: an Executive Secretary; four Principal Administrators; six Administrators; one Administrative Assistant; one Electronic Information Management Officer and, two Assistants/Secretaries. In addition, a third Assistant has joined the Secretariat on a temporary basis. From time to time the secretariat also hosts short term interns.

63. The role of the FATF Secretariat is to support the work of the FATF, including various meetings, and to provide support to the President and the Steering Group. The secretariat prepares and produces policy papers discussed in working groups and/or in the plenary, organises mutual evaluation missions, and produces the related assessment reports. Also, the Executive Secretary and members of the secretariat liaise on an on-going basis with the numerous FATF partners and represent the organisation at their meetings. They also interact with contacts and the media as appropriate.

64. Funding for the FATF is provided by its members on an annual basis and in accordance with the scale of contribution to the OECD. The cost of the secretariat and other services is met by the FATF budget, using the OECD as the channel for funding. The scale is based on a formula related to the size of the country's economy. Non-OECD members' contributions are calculated using the same scale of OECD members. The two member organisations also make contributions to the FATF budget. The overall budget figures of the FATF budget for fiscal years 2007 and 2008 are reflected in [Table 6](#) below.

Table 7: FATF budget summary, FY2006 and FY2007

Budget Items	Budget FY 2007 (in Euro)	Budget FY 2008 (in Euro)
Emoluments, allowances and employer's contributions for permanent staff	1 428 900	1 846 200
Official travel	250 000	275 000
Consultants, contracts, auxiliaries and conferences	1 000	1 000
Entertainment expenses	1 000	1 000
Operating expenditure	114 300	149 200
Share of OECD's overheads	148 900	174 700
Documentation and library	1 000	1 000
Meetings, documents, translation and interpretation	80 000	94 800
Miscellaneous and unforeseen expenditures	1 000	1 000
Capital expenditure	1 000	1 000
Information technology	30 000	38 300
Carry forward/adjustments	7 152	
TOTAL	2 064 252	2 583 200

VII. FUTURE AREAS OF WORK

65. Brazil will hold the next presidency of the FATF from July 2008 to June 2009, with Mr. Antonio Gustavo Rodrigues carrying out the role of President.

66. At the June 2008 FATF meeting the incoming President outlined his priorities for the FATF for the coming year. The 2008-2009 year will see the FATF undertake a consolidated plan for realising the FATF mandate. It will be a year when the FATF more clearly acknowledges the important role played by various institutions and organisations. Projects designed to assist countries which face capacity constraints to implement the FATF standards will continue. In addition, FATF-XX will carry out work which commenced during FATF-XIX relating to the strategic direction of the organisation and private sector outreach.

ANNEX 1: FATF REVISED MANDATE 2008-2012

I. Introduction and Background

1. Since its creation in 1989, the Financial Action Task Force (FATF) has worked to ensure that its 40+9 Recommendations are recognised globally as the international standards for anti-money laundering and combating the financing of terrorism (AML/CFT). The work of the FATF, covering more than 170 jurisdictions, has had a significant impact on the global detection and prevention of money laundering and terrorist financing, and is critical to the implementation of more robust AML/CFT regimes around the world.

2. The FATF, since its establishment, has focused its work on three main activities: standard setting, ensuring effective compliance with the standards and identifying money laundering and terrorist financing threats. These activities will remain at the core of the FATF's work for the remainder of this mandate. Going forward, the FATF will build on this work and respond to new and emerging threats, such as proliferation financing and vulnerabilities in new technologies which could destabilise the international financial system.

3. A mid-term review was conducted in 2007 to ensure that the FATF is equipped to respond flexibly to new challenges. The FATF mandate, revised through this mid-term review process will expire in December 2012.

II. FATF Standards

4. The core work of the FATF since its creation has been to combat money laundering (40 Recommendations), and since 2001, terrorist financing (9 Recommendations). The FATF has taken concerted action to combat these threats. The FATF continues to revise and clarify these standards, and will continue to do so when necessary. This approach has so far provided the right balance between giving the required stability to the FATF standards, whilst allowing for the necessary flexibility to respond to the changing nature of the threats faced. Maintaining this balance between stability and flexibility allows for more predictability, and consistent implementation globally.

III. Promoting Global Implementation of the Standards

5. Full and effective roll-out of the 40+9 Recommendations in all countries is one of the fundamental goals of the FATF. Members are assessed through the mutual evaluation process which is an essential and long standing core activity of the FATF. This peer review process has now been extended through the FATF-Style Regional Body (FSRB) network to more than 170 countries, and is the critical mechanism for promoting timely and effective implementation of FATF Recommendations and for contributing to the creation of a level playing field throughout the membership and beyond. Countries that are not FSRB members will be encouraged to join the relevant regional body. The FATF will complete the third round of mutual evaluations of its membership (using the common assessment methodology) to determine the degree to which all members have implemented the 40+9 Recommendations. Also, the FATF will continue to undertake appropriate follow-up action from mutual evaluations to ensure that members correct, as quickly as possible, any deficiencies that are identified through the mutual evaluation process.

6. All countries, including non-members, should implement the FATF Recommendations effectively, to ensure a more effective global system for combating AML/CFT risks. However, many countries, in particular low-capacity countries, face challenges in the implementation of FATF standards. In order to minimise both their own vulnerabilities and the associated risks for the international financial system, the FATF, in close collaboration with the FSRBs and other international partners, will develop strategies to facilitate the implementation of the FATF Recommendations by countries facing capacity constraints. As a first step the FATF and FSRBs will continue their work to support the effective implementation of the FATF standards in these countries.

IV. Identifying and Responding to New Threats

(a) *High-risk jurisdictions*

7. A key element of the FATF's work will continue to be its action to identify and address risks posed by jurisdictions with significant deficiencies in their AML/CFT regimes in order to protect the international financial system from criminal threats. Action such as the Non-Cooperative Countries and Territories exercise led to significant improvements in the AML/CFT regimes of more than 20 countries.

8. In 2006, the FATF adopted a new surveillance process - the International Co-operation Review Group – to identify, examine and engage with vulnerable jurisdictions that are failing to implement effective AML/CFT systems. The FATF will continue to use this process to reach out to those countries and, where appropriate, will take firm action when a country chooses not to engage with the appropriate FSRB or the FATF or to reform its systems.

(b) *Systemic Money laundering and terrorist financing threats*

9. The FATF is uniquely placed to analyse and draw international attention to emerging money laundering and terrorist financing vulnerabilities, and has significantly enhanced its process for the identification of money laundering and terrorist financing threats (the typologies process). The generation and dissemination of in-depth typologies studies is central to the work of the FATF and provides a solid foundation for ongoing policy development at the national and international levels. The FATF will continue to produce such studies which present detailed information about the methods, trends and techniques of money laundering and terrorist financing, and provide practical input to policy makers and the standard-setting process. In pursuing this work, the FATF will continue its expanded co-operation with the FSRBs and other international bodies, and will also harness the experience and expertise which the private sector can bring to this process.

10. Looking forward, the FATF will intensify its surveillance of systemic criminal and terrorist financing risks to enhance its ability to identify, prioritise and act on these threats. In this context, and drawing on contributions from the FATF membership, the private sector and the FSRBs, it will support the development of national threat assessments through best practice guidance and establish stronger and more regular mechanisms for sharing information on risks and vulnerabilities. The results of the enhanced strategic surveillance function will be disseminated publicly via the publication of a regular global threat assessment.

11. The FATF will also examine the available data to measure the impact of AML/CFT regimes on underlying criminal and terrorist activity, encouraging research into the effectiveness of its regime. It will examine the feasibility of implementing cost-benefit analysis across the field of AML/CFT policy.

(c) *Emerging Threats*

12. Globalisation has created potential new risks as criminals and terrorists seek to penetrate the global financial system. The FATF will remain at the centre of international efforts to protect the integrity of the financial system and will respond to the significant new threats emerging which are

related to, but may fall outside its core activities. The FATF will only consider limited expansions of its field of action where it has a particular additional contribution to make.

13. Proliferation financing is a current example of an area where the FATF can add value to the wider efforts of the international community and, consistent with the needs identified by the UN Security Council Resolutions, the FATF will continue to work on this issue. In doing so, the FATF will ensure that it does not duplicate existing efforts elsewhere.

V. Relations with Stakeholders and Partners

(a) Outreach to the private sector and the public

14. The private sector is at the front line of the international battle against money laundering, terrorist financing and other illicit financing threats. The FATF has significantly increased its engagement with the private sector, through events with industry groups and the production of joint analysis on issues of common concern, soliciting private sector input to the typologies process, and through the establishment of a new private sector consultative forum. Looking forward, it will deepen its engagement with the private sector, through holding regular dialogues between the FATF and the private sector in support of our common objective of a more effective implementation of FATF standards.

15. More generally, in accordance with better regulation practice, the FATF will maintain high levels of transparency in its work, through direct communication, outreach and awareness-raising across all stakeholders, and making use of all available channels of communication.

(b) Relations with other international organisations

16. The FATF relies on and values its close partnerships with other international organisations, including the United Nations, the International Monetary Fund, the World Bank and the Financial Stability Forum, in the delivery of its objectives. The FATF has conducted targeted outreach to improve the FATF's knowledge of particular issues and to ensure that the FATF standards do not conflict with the work of other international organisations. In particular, the IMF and the World Bank have made an important contribution to global efforts to combat money laundering and terrorist financing in non-FATF member countries, and the FATF supports this valuable contribution to the global effort. The FATF will continue to work actively with all partners to further FATF objectives and to draw on their knowledge in developing FATF policy.

(c) Relations with Associate Members and FSRBs

17. The FSRBs, several of which are now associate members of the FATF, play an important leadership role in their respective regions and provide important regional expertise and input into the FATF policy-making function. The FATF and FSRBs will continue to strengthen their working relationships, as well as extending outreach at a regional level with key partners.

VI. Operational Issues

(a) FATF Structure and Organisation

18. The FATF's task force structure has enabled it to respond decisively and promptly to emerging threats and to accommodate efficiently several expansions in its membership. This structure remains broadly the right one for the organisation and should be maintained.

19. Over the long-term, it will be vital for the FATF to evolve if it is to maintain an effective response to the constantly changing threats facing the international financial system. It will therefore

be essential that the structure, organisation and operational planning of the FATF remain flexible and able to adapt to meet new challenges as they arise.

(b) **Membership**

20. The FATF has gradually increased its membership, and since 2000 has admitted six new members and has accepted two observer countries that are expected to become members in due course¹⁸. The FATF will continue to work actively towards the membership of the remaining two countries. The FATF will maintain its open approach and will consider the structure of the global AML/CFT architecture, including the enhanced role played by associate members and FSRBs, and FATF membership, once the current expansion is completed. In this regard, the strategic importance of a country, the geographic balance of FATF membership overall, and a country's commitment to implementing the FATF standards will remain the guiding principles of future membership decisions.

21. The FATF currently has 22 observer organisations/bodies. To make the most effective and efficient use of these relationships the FATF will review its policy on observer status.

(c) **Presidency**

22. Each Presidency will continue to be designated by the plenary for the duration of one year, and will be supported by a Vice-Presidency, which will be the Presidency-designate.

(d) **The Steering Group**

23. The seven member Steering Group is an advisory body for the President. The composition of the Steering Group will continue to reflect the geography and size of the FATF as well as include the President, the immediate past Presidency, and the Presidency-designate.

(e) **The Secretariat and Budget**

24. The Secretariat will continue to support the work of the FATF, including through the working groups and ad hoc groups to ensure co-ordination and consistency.

25. The current arrangements for financing FATF activities will be retained. The cost of the Secretariat and other services will be met by the FATF budget, through the OECD, with member contributions in line with OECD scales, and with the option of additional contributions.

VII. Ministerial Accountability

26. The FATF is accountable to the Ministers of its membership. To strengthen this accountability, the FATF President will report annually to Ministers on key aspects of FATF work, including on global threats. Given the potentially destabilising effects of criminal and terrorist action against the international financial architecture, occasional ministerial meetings will provide an ongoing accountability mechanism whereby Ministers can shape the strategic direction of FATF policy-making.

¹⁸ Six new members: Argentina, Brazil, China, Mexico, South Africa and the Russian Federation. Two observer members: India and South Korea.

ANNEX 2: FATF DOCUMENTS PUBLISHED IN 2007-2008

Executive Summary of the Report of the Mutual Evaluation of Hong Kong, China, June 2008 (English)

Chairman's Summary of the FATF Plenary Meeting in London, 18-20 June 2008, June 2008 (English and French)

The Revised FATF Mandate (2004-2012), April 2008 (English and French)

FATF e-News, March 2008 (English and French)

Terrorist Financing Report, March 2008 (English)

Report of the Mutual Evaluation of Singapore, March 2008 (English)

Report of the Mutual Evaluation of Canada, March 2008 (English)

Executive Summary of the Report of the Mutual Evaluation of Singapore, February 2008 (English)

Executive Summary of the Report of the Mutual Evaluation of Canada, February 2008 (English)

FATF Statement of 28 February 2008, February 2008 (English and French)

Chairman's Summary of the FATF Plenary Meeting in Paris, 27-29 February 2008, February 2008 (English and French)

Guidance on Capacity Building for Mutual Evaluations and Implementation of the FATF Standards within Low Capacity Countries, February 2008 (English)

The Revised Interpretative Note to Special Recommendation VII: Wire Transfers, February 2008 (English and French)

The Revised Methodology for Assessing Compliance with the FATF 40 Recommendations and the FATF 9 Special Recommendations, February 2008 (English and French)

Sir James Sassoon's Speech to the Singapore CFT Seminar, February 2008 (English)

FATF e-News, December 2007 (English and French)

James Sassoon's Speech to MENAFATF, Damascus, November 2007 (English)

Report of the Mutual Evaluation of Finland, November 2007 (English)

Executive Summary of the Report of the Mutual Evaluation of Finland, October 2007 (English)

FATF Statement on Iran, October 2007 (English and French)

Chairman's Summary of the FATF Plenary Meeting in Paris, 10-12 October 2007, October 2007 (English and French)

Guidance Regarding the Implementation of Activity-Based Financial Prohibitions of United Nations Security Council Resolution 1737, October 2007 (English)

James Sassoon's Speech to the ESAAMLG Council of Ministers, Gaborone, September 2007 (English)

FATF e-News, August 2007 (English and French)

Guidance on Implementing Financial Provisions of UNSCR Resolutions to Counter Proliferation of Weapons of Mass Destruction, July 2007 (English)

FATF Annual Report 2006-2007, July 2007 (English and French)

Guidance on the Risk-Based Approach to Combating Money Laundering and Terrorist Financing, July 2007 (English)

FATF Policy Brief, July 2007 (English)

The Revised AML/CFT Evaluations and Assessments: Handbook for Countries and Assessors, July 2007 (English and French)

FATF-XIX Calendar of Events (multiple updates through the year), (English and French)

Report of the Mutual Evaluation of the People's Republic of China, July 2007 (English)

Report of the Mutual Evaluation of the United Kingdom, July 2007 (English)

Report of the Mutual Evaluation of Greece, July 2007 (English)

ANNEX 3: JURISDICTIONS WHICH HAVE UNDERTAKEN TO IMPLEMENT THE 40+9 RECOMMENDATIONS

Jurisdiction	Membership	Jurisdiction	Membership
Afghanistan	APG	Liberia	GIABA
Albania	MONEYVAL	Liechtenstein	MONEYVAL
Algeria	MENAFATF	Lithuania	MONEYVAL
Andorra	MONEYVAL	Luxembourg	FATF
Antigua & Barbuda	CFATF	Macao, China	APG, OGBS
Anguilla	CFATF	The Former Yugoslav Republic of Macedonia	MONEYVAL
Argentina	FATF, GAFISUD	Malawi	ESAAMLG
Armenia	MONEYVAL	Mali	GIABA
Aruba	CFATF, FATF ¹⁹ , OGBS	Malaysia	APG
Australia	APG, FATF	Malta	MONEYVAL
Austria	FATF	The Marshall Islands	APG
Azerbaijan	MONEYVAL	The Islamic Republic of Mauritania	MENAFATF
The Bahamas	CFATF, OGBS	Mauritius	ESAAMLG, OGBS
Bahrain	GCC, MENAFATF	Mexico	FATF, GAFISUD
Bangladesh	APG	Moldova	MONEYVAL
Barbados	CFATF, OGBS	Monaco	MONEYVAL
Belarus	EAG	Mongolia	APG
Belgium	FATF	Montenegro	MONEYVAL
Belize	CFATF	Montserrat	CFATF
Benin	GIABA	Morocco	MENAFATF
Bermuda	CFATF, OGBS	Mozambique	ESAAMLG
Bolivia	GAFISUD	Myanmar	APG
Bosnia and Herzegovina	MONEYVAL	Namibia	ESAAMLG
Botswana	ESAAMLG	Nauru	APG
Brazil	FATF, GAFISUD	Nepal	APG
The British Virgin Islands	CFATF, OGBS	Niger	GIABA
Brunei Darussalam	APG	Nigeria	GIABA
Bulgaria	MONEYVAL	Niue	APG
Burkina-Faso	GIABA	The Netherlands	FATF ²⁰ , MONEYVAL
Cambodia	APG	The Netherlands Antilles	CFATF, FATF ²¹ , OGBS
Canada	APG, FATF	New Zealand	APG, FATF
Cape Verde	GIABA	Nicaragua	CFATF
The Cayman Islands	CFATF, OGBS	Norway	FATF
Chile	GAFISUD	Oman	GCC, MENAFATF
China	EAG, FATF	Pakistan	APG
Chinese Taipei	APG	Palau	APG
Colombia	GAFISUD	Panama	CFATF, OGBS
Cook Islands	APG	Paraguay	GAFISUD
Costa Rica	CFATF, OGBS	Peru	GAFISUD
Cote D'Ivoire	GIABA	The Philippines	APG

¹⁹ The Kingdom of the Netherlands (comprising Aruba, the Netherlands Antilles and the Netherlands) is a member of the FATF.

²⁰ The Kingdom of the Netherlands (comprising Aruba, the Netherlands Antilles and the Netherlands) is a member of the FATF.

²¹ The Kingdom of the Netherlands (comprising Aruba, the Netherlands Antilles and the Netherlands) is a member of the FATF.

Jurisdiction	Membership	Jurisdiction	Membership
Croatia	MONEYVAL	Poland	MONEYVAL
Cyprus	MONEYVAL	Portugal	FATF
Czech Republic	MONEYVAL	Qatar	GCC, MENAFATF
Denmark	FATF	Romania	MONEYVAL
Dominica	CFATF	Russian Federation	EAG, FATF, MONEYVAL
Dominican Republic	CFATF	Samoa	APG
Egypt	MENAFATF	San Marino	MONEYVAL
Ecuador	GAFISUD	Saudi Arabia	GCC, MENAFATF
El Salvador	CFATF	Senegal	GIABA
Estonia	MONEYVAL	Serbia	MONEYVAL
Fiji Islands	APG	Seychelles	ESAAMLG
Finland	FATF	Sierra Leone	GIABA
France	FATF, MONEYVAL	Singapore	APG, FATF
Gambia	GIABA	Slovak Republic	MONEYVAL
Georgia	MONEYVAL	Slovenia	MONEYVAL
Germany	FATF	Solomon Islands	APG
Ghana	GIABA	South Africa	ESAAMLG, FATF
Greece	FATF	Spain	FATF
Grenada	CFATF	Sri Lanka	APG
Guatemala	CFATF	St. Kitts & Nevis	CFATF
Guernsey	OGBS	St. Lucia	CFATF
Guinea	GIABA	St. Vincent & The Grenadines	CFATF
Guinea Bissau	GIABA	Sudan	MENAFATF
Guyana	CFATF	Suriname	CFATF
Republic of Haiti	CFATF	Swaziland	ESAAMLG
Honduras	CFATF	Sweden	FATF
Hong Kong, China	APG, FATF	Switzerland	FATF
Hungary	MONEYVAL	Syria	MENAFATF
Iceland	FATF	Tajikistan	EAG
India	APG	Tanzania	ESAAMLG
Indonesia	APG	Thailand	APG
Republic of Iraq	MENAFATF	Togo	GIABA
Ireland	FATF	Tonga	APG
Isle of Man	OGBS	Trinidad and Tobago	CFATF
Israel	MONEYVAL ²²	Tunisia	MENAFATF
Italy	FATF	Turkey	FATF
Jamaica	CFATF	Turks and Caicos Islands	CFATF
Japan	FATF	Uganda	ESAAMLG
Jersey	OGBS	Ukraine	MONEYVAL
Jordan	MENAFATF	United Arab Emirates	GCC, MENAFATF
Kazakhstan	EAG	United Kingdom	FATF
Kenya	ESAAMLG	United States	FATF
The Republic of Korea (South Korea)	APG	Uruguay	GAFISUD
Kuwait	GCC, MENAFATF	Uzbekistan	EAG
Kyrgyzstan	EAG	Vanuatu	APG, OGBS
Labuan	OGBS	Venezuela	CFATF
Lao People's Democratic Republic	APG	Vietnam	APG
Latvia	MONEYVAL	Yemen	MENAFATF
Lebanon	MENAFATF	Zambia	ESAAMLG
Lesotho	ESAAMLG	Zimbabwe	ESAAMLG

²² Active observer status.

ANNEX 4: PUBLISHED ASSESSMENTS

Reports can be found on the websites of the assessor bodies:

APG:	www.apgml.org
CFATF:	www.cfatf.org
EAG:	www.eurasiangroup.org
ESAAMLG:	www.esaamlg.org
FATF:	www.fatf-gafi.org
GAFISUD:	www.gafisud.org
GIABA:	www.giaba.org
International Monetary Fund:	www.imf.org
MENAFATF:	www.menafatf.org
MONEYVAL:	www.coe.int/moneyval
OGBS:	www.ogbs.net
World Bank:	www.worldbank.org

For reports which involved more than one body, it is suggested that the reports may be most easily obtained from the FATF website or the website of the relevant FATF-style regional body (APG, CFATF, EAG, ESAAMLG, GAFISUD, GIABA, MENAFATF, MONEYVAL).

An asterisk (*) indicates that a summary of the report has been published.

	Country / Jurisdiction	Assessor Body	Year Report Published
1	Albania	MONEYVAL	2006
2	Andorra	MONEYVAL	2007*
3	Australia	FATF (APG)	2005
4	Bahamas	CFATF	2007
5	Bahrain	IMF (MENAFATF)	2007
6	Belarus	IMF (EAG)	2007
7	Belgium	FATF	2005
8	Bermuda	IMF (CFATF)	2008
9	Bolivia	GAFISUD	2007
10	Botswana	WORLD BANK (ESAAMLG)	2008
11	Brunei Darussalam	APG	2006*
12	Bulgaria	MONEYVAL	2008*
13	Cambodia	WORLD BANK (APG)	2007
14	Canada	FATF (APG)	2008
15	Cayman Islands	CFATF	2007
16	CEMAC ²³	WORLD BANK	2006*
17	Chile	GAFISUD	2007
18	People's Republic of China	FATF (EAG)	2007
19	Chinese Taipei	APG	2007
20	Colombia	GAFISUD	2007
21	Costa Rica	CFATF	2007
22	Croatia	MONEYVAL	2008
23	Cyprus	MONEYVAL	2006
24	Czech Republic	MONEYVAL	2008
25	Denmark	IMF (FATF)	2006
26	Dominican Republic	CFATF	2007
27	Ecuador	GAFISUD	2008
28	Fiji	WORLD BANK (APG)	2006
29	Finland	FATF	2007

²³ CEMAC (*Communauté Économique et Monétaire de l'Afrique Centrale*) is the Economic and Monetary Community of Central Africa.

	Country / Jurisdiction	Assessor Body	Year Report Published
30	Georgia	MONEYVAL	2007
31	Gibraltar	IMF	2007
32	Greece	FATF	2007
33	Hong Kong, China	FATF (APG)	2008*
34	Hungary	IMF (MONEYVAL)	2005
35	Iceland	FATF	2006
36	India	APG	2007
37	Ireland	FATF	2006
38	Italy	IMF (FATF)	2006
39	Jamaica	CFATF	2007
40	Kyrgyz Republic	EAG	2007
41	Latvia	IMF (MONEYVAL)	2007
42	Liechtenstein	IMF (MONEYVAL)	2008
43	Lithuania	MONEYVAL	2006
44	Macao, China	APG (OGBS)	2007
45	Madagascar	WORLD BANK	2006
46	Malaysia (inc. Labuan)	APG	2007
47	Malta	MONEYVAL	2007
48	Mauritania	WORLD BANK (MENAFATF)	2007
49	Moldova	MONEYVAL	2008
50	Monaco	MONEYVAL	2008
51	Mongolia	APG	2007
52	Morocco	MENAFATF	2007
53	Namibia	WORLD BANK (ESAAMLG)	2008
54	Nepal	APG	2006*
55	Norway	FATF	2005
56	Panama	IMF (CFATF)	2007
57	Paraguay	GAFISUD	2007
58	Peru	GAFISUD	2007
59	Poland	MONEYVAL	2008
60	Portugal	FATF	2006
61	Russian Federation	FATF (EAG and MONEYVAL)	2008*
62	Rwanda	WORLD BANK	2005*
63	Samoa	APG (OGBS)	2006
64	San Marino	MONEYVAL	2008*
65	Sierra Leone	WORLD BANK (GIABA)	2008
66	Singapore	FATF (APG)	2008
67	Slovakia	MONEYVAL	2006
68	Slovenia	MONEYVAL	2006
69	Sri Lanka	APG	2006
70	Syria	MENAFATF	2007
71	Thailand	IMF (APG)	2007
72	Tunisia	MENAFATF	2008
73	United Kingdom	FATF	2007
74	United States	FATF (APG)	2006
75	Zimbabwe	ESAAMLG	2008

ANNEX 5: FATF MEMBERSHIP CRITERIA

February 2008

Step 1 - Fundamental criteria of membership

- a) The jurisdiction should be strategically important:

Indicators

- Size of gross domestic product (GDP).
- Size of the banking sector.
- Impact on the global financial system, including the degree of openness of the financial sector and its interaction with international markets.
- Regional prominence in AML/CFT efforts.
- Level of commitment to AML/CFT efforts.

Additional considerations

- Level of adherence to financial sector standards.
- Participation in other relevant international organisations.
- Level of AML/CFT risks faced and efforts to combat those risks.

- b) If the jurisdiction was to become a member, the FATF's geographic balance should be enhanced.

Step 2 - Technical and other criteria

- a) The country should provide a written commitment at the political level:
- (i) Endorsing and supporting the FATF *Forty Recommendations 2003*, the *Nine Special Recommendations 2001* (together referred to as the *FATF Recommendations*) and the FATF *AML/CFT Methodology 2004* (as amended from time to time).
 - (ii) Agreeing to implement all the *FATF Recommendations* within a reasonable timeframe (3 years).
 - (iii) Agreeing to undergo a mutual evaluation during the membership process for the purposes of assessing compliance with FATF membership criteria, using the AML/CFT Methodology applicable at the time of the evaluation, as well as agreeing to undergo subsequent periodic mutual evaluations following admission as a full member.
 - (iv) Agreeing to participate actively in the FATF and to meet all the other commitments of FATF membership, including supporting the role and work of the FATF in all relevant fora.
- b) The country should be a full and active member of a relevant FATF-style regional body.
- c) The overall mutual evaluation needs to be regarded as satisfactory, and in particular the level of compliance for the Recommendations dealing with the money laundering and terrorist financing

offences (R.1 & SR.II), freezing and confiscation (R.3 & SR.III), customer due diligence (R.5), record-keeping (R.10), suspicious transaction reporting (R.13 & SR.IV), financial sector supervision (R.23), and international co-operation (R.35, R.36, R.40, SR.I & SR.V) need to be acceptable.

- In determining whether the overall level of compliance is satisfactory, some flexibility may be allowed with respect to Recommendation 5 due to its complexity and multi-faceted requirements. The assessed country is, however, expected to demonstrate significant progress toward full compliance with the components of Recommendation 5.
- It is expected that a country should obtain ratings of fully or largely compliant for all FATF Recommendations listed above in paragraph c). If that is not achieved however, then the country must at a minimum achieve ratings of LC or C for a large majority of these Recommendations, and for the remainder, should demonstrate substantial progress toward full implementation and provide a clear commitment at Ministerial level to come into compliance within a reasonable timeframe and a detailed action plan setting out the steps to be taken and the timeframe for taking them.

ANNEX 6: FATF POLICY ON OBSERVERS

June 2008

Criteria

- i) The organisation should be inter-governmental²⁴ and international/regional in nature, and it should not work according to private sector mechanisms.
- ii) The organisation should have a stated role relating to AML/CFT.
- iii) The organisation should endorse the FATF standards.
- iii) Admission of the organisation as an observer should enhance the FATF's global reach, geographically and/or sectorally.
- iv) The organisation should be able to make a contribution to the work of the FATF.
- v) If the organisation were to become an observer, reciprocity would exist between it and the FATF, including with respect to attendance at meetings and information sharing on AML/CFT issues.

Additional consideration

- vi) Does the organisation participate in the work of the FSRBs?

Process

- i) A person with the authority of the organisation writes to the FATF President expressing an interest in becoming an FATF observer. This expression of interest should:
 - Provide information on the organisation and its activities, including a note of its relevance to AML/CFT efforts.
 - Define the objectives sought behind holding FATF observer status.
 - Clearly endorse the FATF Forty Recommendations and Nine Special Recommendations and agree to support their implementation.
 - Note ways in which it could contribute to the work of the FATF.
- ii) The FATF President acknowledges the correspondence and submits the expression of interest to the plenary for consideration.
- iii) The FATF President notifies the candidate of the outcome of that decision and, if it is positive, the FATF secretariat establishes points of contact for provision of information and other administrative arrangements.

²⁴ Including international organisations of like competent authorities.

ANNEX 7: ACRONYMS USED IN THIS REPORT²⁵

Acronym	Full Text
AHGM	Ad hoc group on membership
AML	Anti-money laundering
APG	Asia/Pacific Group on Money Laundering
CFATF	Caribbean Financial Action Task Force
CFT	Countering-terrorist financing
CTAG	Counter-Terrorism Action Group
DAR	Detailed Assessment Report
DC	District of Colombia
EAG	Eurasian Group on combating money laundering and financing of terrorism
ESAAMLG	Eastern and Southern African Anti-Money Laundering Group
FATF	Financial Action Task Force
FATF-XVIII	FATF 18; the FATF's 18 th year
FATF-XIX	FATF 19, the FATF's 19 th year
FATF-XX	FATF 20, the FATF's 20 th year
FSRB	FATF-style regional body
FY	Financial Year
G-7	Group of Seven
G-8	Group of Eight
GAFISUD	Grupo de Acción Financiera de Sudamérica
GIABA	Groupe Inter-gouvernemental d'Action Contre le Blanchiment en Afrique
IFI	International financial institution
IMF	International Monetary Fund
MENAFATF	Middle East and North Africa Financial Action Task Force
MER	Mutual evaluation report
ML	Money laundering
NCCT	Non-cooperative country or territory
OECD	Organisation for Economic Co-operation and Development
OGBS	Offshore Group of Banking Supervisors
RBA	Risk-based approach to combating money laundering and terrorist financing
S/RES	United Nations Security Council Resolution
SRII	Special Recommendation II
SRIII	Special Recommendation III
SRVI	Special Recommendation VI
SRVII	Special Recommendation VII
SRVIII	Special Recommendation VIII
SRIX	Special Recommendation IX
TANA	Technical assistance needs assessment
TCSP	Trust and company service provider
TF	Terrorist financing
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNSC	United Nations Security Council
UNSCR	United Nations Security Council Resolution
VAT	Value-added tax
WAEMU	West African Economic and Monetary Union (WAEMU)
WB	World Bank
WGEI	Working group on evaluations and implementation
WGTM	Working group on terrorist financing and money laundering
WGTYP	Working group on typologies
WMD	Weapon(s) of mass destruction

²⁵ Note: MONEYVAL and Egmont are not acronyms.