



FINANCIAL ACTION TASK FORCE



FATF BUSINESS BULLETIN

*This report provides a brief update on outcomes from the **February 2018 FATF plenary meeting** that are relevant for the private sector. The complete summary of outcomes from the Plenary is available [here](#).*

March 2018

Recent important FATF outcomes relevant for:

All private sector

Proliferation Financing:

- The FATF has updated its **guidance on the implementation of financial provisions of UN Security Council Resolutions (UNSCRs) to counter the proliferation of weapons of mass destruction**. This guidance will help public and private sector understand and implement the financial provisions of UNSCRs on proliferation and prevent sanctions evasion. The adopted Guidance is available [here](#).

National Coordination and Cooperation:

- The FATF adopted revisions to Recommendation 2 to emphasise that cooperation and cooperation should include **coordination with the relevant authorities to ensure the compatibility of Anti Money Laundering and Counter Terrorist Financing (AML/CFT) requirements with Data Protection and Privacy (DPP) rules and other similar provisions (e.g. data security / localisation)**. Improving the compatibility of AML/CFT and DPP rules will facilitate exchange of information between the public and private sector.

Information Sharing:

- The FATF adopted changes to the Methodology for Recommendation 18, which clarify the requirements on **sharing information related to unusual or suspicious transactions within financial groups**. The FATF also adopted changes to the Methodology for Recommendation 21 to clarify the interaction of these requirements with tipping off provisions. Under Recommendation 23, these requirements will also apply to Dealers in Non-Financial Businesses and Professions (DNFBPs).

Counter-Terrorist Financing:

- The FATF has developed a **new counter-terrorist financing (CTF) operational plan** which will focus its future efforts in responding to the current terrorist financing risks and strengthening the global CTF standards. For an overview of the recent outcomes achieved as part of the 2016 operational plan, see [here](#).

High-risk and other monitored jurisdictions

- The FATF identifies jurisdictions with **strategic AML/CFT deficiencies** in the following public documents issued three times a year: *FATF Public Statement* (call for action) and *Improving Global AML/CFT Compliance: on-going Process* (other monitored jurisdictions).



Other Relevant Outcomes

Recent updates include:

- **Bosnia and Herzegovina** will no longer be subject to the FATF's monitoring under its on-going global AML/CFT compliance process, and will work with the MONEYVAL as it continues to further strengthen its AML/CFT regime.
- In February 2018, **Serbia** made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime. Serbia will now be subject to FATF's monitoring under its on-going global AML/CFT compliance process.
- The FATF decided to **continue the suspension of counter-measures on Iran**. Depending on Iran's progress in completing its action plan, the FATF will take further steps in June 2018.

Developments on De-risking

- **The Wolfsberg Group** presented to plenary on their recently published **Correspondent Banking Due Diligence Questionnaire**, which the FATF in a [joint statement](#) with BCBS, CPMI and FSB has welcomed as one of the industry initiatives that will help to address the decline in the number of correspondent banking relationships by facilitating due diligence processes.

Update on Fintech & Regtech Initiatives

- FATF in February considered **a report on the AML/CFT risks associated with virtual currencies** and the regulatory measures being taken in different countries. The improved understanding of the misuse and risk of virtual currencies will lead to FATF undertaking additional work streams.
- The FATF Plenary also heard presentations from some of its member countries concerning the **FinTech and RegTech initiatives** they were implementing. To support financial innovation that is resilient to ML/TF, **the FATF also launched a new Fintech/Regtech platform** to share government Fintech initiatives and developments.

For More Information

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FATFs 2018 Private Sector Consultative Forum (PSCF)

- The FATFs upcoming PSCF will take place on **23 and 24 April 2018 at the UNODC in Vienna, Austria**. Topics for discussion include: AML/CFT global priorities for 2018, Fintech/Regtech, and de-risking. Participation by invitation only.