



FINANCIAL ACTION TASK FORCE



FATF BUSINESS BULLETIN

This report provides a brief update on outcomes from the **February 2019 plenary meeting** that are relevant for the private sector. The complete summary of outcomes from the Plenary is available [here](#).

March 2019

Major Strategic Initiatives

FATF's current action to combat terrorist financing

- The Plenary gave an update on the financing methods employed by ISIL, Al Qaeda and affiliates, including work on the prosecution of terrorist financing (TF) and assessing TF risks. Combating TF is a top priority for the FATF under the US Presidency. These topics will be further developed at the Joint Experts' meeting in April 2019, hosted by the Israeli government in Tel Aviv, Israel. See [public statement](#) on FATF's current action to combat TF.

Mitigating risks from virtual assets

- The FATF had amended Recommendation 15 in October 2018 to clarify how the FATF standards apply to activities or operations involving virtual assets. In the February 2019 Plenary meeting, FATF finalised the texts of [Interpretive Note to Recommendation 15](#) (except Paragraph 7(b) which is subject to private sector consultations and technical implementation considerations), and will formally adopt as part of the FATF Standards in June 2019. The FATF invites private sector entities and other experts to provide written comments on [paragraph 7\(b\)](#).

Send comments to: FATF.Publicconsultation@fatf-gafi.org

Deadline: 8 April 2019 (Monday)

Public consultation - Three Risk-Based Approach Guidance Papers

- The FATF is conducting a [public consultation](#) on the following draft Risk-Based Approach (RBA) Guidance papers. The FATF intends to adopt the final Guidance at its June 2019 Plenary meeting.

- ▶ [FATF-RBA Guidance for Legal Professionals](#)
- ▶ [FATF-RBA Guidance for Accountants](#)
- ▶ [FATF-RBA Guidance for Trust and Company Service Providers \(TCSPs\)](#)

Send comments to: FATF.Publicconsultation@fatf-gafi.org

[with subject-line "Comments of XX on the draft RBA Guidance for the XX Sector"]

Deadline: 8 April 2019 (Monday)

2019 Private Sector Consultative Forum

- The 2019 Private Sector Consultative Forum will be held on 6-7 May 2019 at UNODC Headquarters in Vienna. The Forum will cover topics including digital ID, virtual assets, beneficial ownership, RBA Guidance papers for Legal Professionals, Accountants and TCSPs, conducting customer due diligence and financial innovation (FinTech/RegTech) in the context of anti-money laundering and counter terrorist financing (AML/CFT). For anyone interested in the Forum, you can contact the Secretariat at: pscf@fatf-gafi.org.

FATF Mutual Evaluations

China

The Plenary concluded that China has the foundation for a sound system to tackle ML/TF but should strengthen its financial intelligence unit and use of financial intelligence.

Finland

The Plenary concluded that Finland's AML/CFT measures are delivering good results, but that the country needs to improve supervision to ensure banks and others are properly implementing effective AML/CFT controls.

The mutual evaluation reports are expected to be published by April 2019 after the quality and consistency review, in accordance with procedures.

Follow-up Process

Italy and Norway achieved technical compliance re-ratings

- The Plenary discussed the progress that Italy (1st follow-up report) and Norway (2nd follow-up report) have made since their mutual evaluation reports were adopted (in 2016 and 2014 respectively).
- For each country, the Plenary agreed to re-rate a number of FATF Recommendations to reflect the country's current level of technical compliance. After a quality and consistency review, the FATF will publish the follow-up reports.

Review and Compliance

Brazil's progress in addressing deficiencies

- The FATF notes the passage of new legislation by Brazil on 20 February, which aims to address major shortcomings for identifying and freezing terrorist assets. The FATF will review the legislation for compliance with the FATF standards. Further to that review, the FATF will determine next steps in June 2019. See [public statement](#).

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 \(February 2019\) \(call for action\)](#) and [Improving Global AML/CFT Compliance: on-going Process \(February 2019\) \(other monitored jurisdictions\)](#).
- **Recent updates include:** The FATF has identified **Cambodia** as a jurisdiction with strategic AML/CFT deficiencies. The country has developed an action plan with the FATF to address the most serious deficiencies. The FATF welcomed the high level political commitment of Cambodia to its action plan.

Latest position on Iran

The FATF decided to continue the suspension of counter-measures for Iran. While welcoming the passage of the Anti-Money Laundering Act, the FATF expresses its disappointment that the Action Plan remains outstanding and expects Iran to proceed swiftly in the reform path to ensure that it addresses all of the remaining items by completing and implementing the necessary AML/CFT reforms. If by June 2019, Iran does not enact the remaining legislation in line with FATF Standards, then the FATF will require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran. The FATF also expects Iran to continue to progress with enabling regulations and other amendments.

Operations and Streamlining FATF

Strengthening the governance and accountability of the FATF

- In October 2018, FATF Members agreed to strengthen FATF governance and accountability through increasing the engagement of ministers and senior officials of FATF members. Delegates further clarified a proposed structure for Ministerial approval in April 2019 during the adoption of the FATF's revised mandate. The structure for Ministerial involvement aims to achieve the right balance between political oversight, senior level engagement and maintaining FATF as a technical body.

Incoming FATF Vice-President for 2019-2021

- The FATF Plenary appointed **Dr. Marcus Pleyer, Deputy Director General of the Finance Markets Department of the German Federal Ministry of Finance**, as the new incoming FATF Vice-President. Dr. Pleyer will assume the role of FATF Vice-President for a two-year term, effective 1 July 2019 and until 30 June 2021.



Other Strategic Initiatives

Adoption of a report to the G20 Finance Ministers and Central Bank Governors

- The Plenary discussed the FATF's report to the G20 Finance Ministers and Central Bank Governors. This report sets out FATF's progress, since its last update to G20 Leaders in December 2018, on its work programme on preventing the misuse of virtual assets for money laundering and terrorist financing, including the adoption of revisions to define how to apply its revised requirements of the FATF Standards to virtual asset service providers and in the context of virtual assets.

Latest Overview on Assessments Conducted by FATF and FATF-style Regional Body (FSRB)

- Click [here](#) for the latest overview of the ratings that assessed countries obtained for effectiveness and technical compliance as a result of mutual evaluation and follow-up actions (last updated on 21 February 2019). These should be read in conjunction with the detailed mutual evaluation and follow-up reports, which are available on [FATF public website](#).



FSRB Reports Published since December 2018



CFATF

- ▶ The Bahamas - **1st Follow-Up Report - 2018**



EAG

- ▶ Tajikistan - **Mutual Evaluation Report - 2018**



GAFILAT

- ▶ Colombia - **Mutual Evaluation Report - 2018**
- ▶ Nicaragua - **2nd Follow-Up Report - 2018**
- ▶ Panama - **1st Follow-Up Report - 2019**



GIABA

- ▶ Ghana - **1st Follow-Up Report - 2018**



MENAFATF

- ▶ Tunisia - **3rd Follow-Up Report - 2018**



MONEYVAL

- ▶ Albania - **Mutual Evaluation Report - 2018**
- ▶ Czech Republic - **Mutual Evaluation Report - 2018**
- ▶ Lithuania - **Mutual Evaluation Report - 2018**
- ▶ Andorra - **1st Follow-up Report - 2018**
- ▶ Hungary - **2nd Follow-up Report - 2018**
- ▶ Serbia - **2nd Follow-up Report - 2018**
- ▶ Slovenia - **1st Follow-up Report - 2018**

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