



The Global Network for Combating Money Laundering & Terrorist Financing

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Overview

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2. FATF mandate & promoting implementation of the Standards
3. FATF and the Global Network of FSRBs
4. FATF Standards (The "FATF Recommendations")
5. Evaluating compliance with the FATF Standards
6. International cooperation
7. Engagement with the private sector
8. Revision of the FATF Recommendations

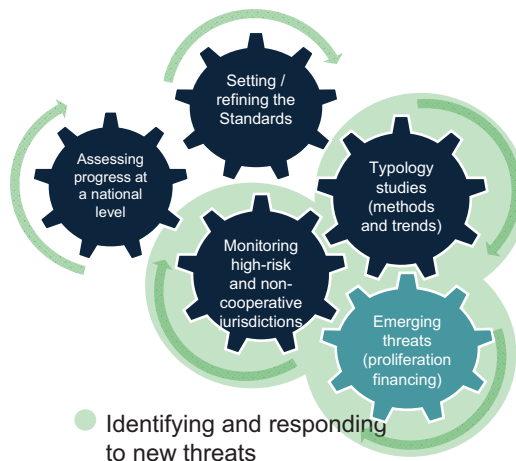
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Background FATF

- Established in 1989
- Policy-making body comprised of 36 members
- International standard setter for AML and CFT
- Guidance on other threats
- Leader of FATF global network

FATF Mandate (2004–2012)

- Set / refine Standards
- Assess progress at implementation
- Carry out typologies studies
- Identify emerging threats
- Identify / monitor high-risk or non cooperative jurisdictions



The FATF and the Global Network

FATF Members:

36 members (34 member countries + 2 member organisations (European Commission, Gulf Co-operation Council))

FATF Associate Members :

8 FATF-style regional bodies (FSRBs)

Observers:

23 organisations, including IMF, World Bank, United Nations and Egmont Group of FIUs

The Global Network

FATF: 36 members

FATF Associate Members (*FATF-style regional bodies – FSRBs*):

APG: Asia-Pacific Group on Money Laundering (41)

CFATF: Caribbean Financial Action Task Force (29)

EAG: Eurasian Group on Combating Money Laundering and Terrorism Financing (9)

ESAAMLG: Eastern and Southern Africa Anti-Money Laundering Group (15)

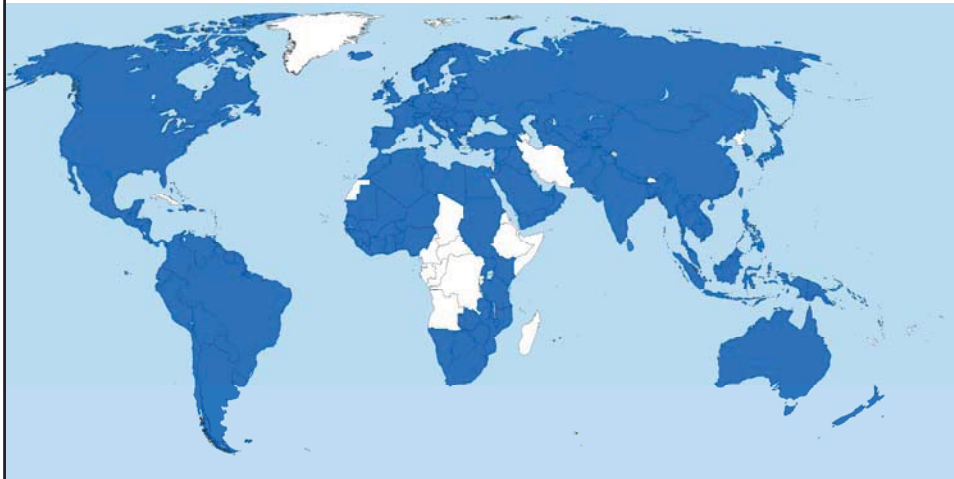
GAFISUD: Financial Action Task Force on Money Laundering in South America (12)

GIABA: Intergovernmental Action Group against Money Laundering in West Africa (15)

MENAFATF: Middle-East and North Africa Financial Action Task Force (18)

MONEYVAL: Committee of Experts on the Evaluation of AML Measures (30+2)

Reach of the Global Network



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Reach of the Global Network

- Over 180 jurisdictions have endorsed the FATF Recommendations
- FATF standards endorsed by other international bodies such as the UN, IMF and World Bank

UN Security Council Resolution 1617 (2005)

...

7. *Strongly* urges all member States to implement the comprehensive, international standards embodied in the Financial Action Task Force's (FATF) Forty Recommendations on Money Laundering and the FATF Nine Special Recommendations on Terrorist Financing.

- All 56 members of the OSCE are members of one of three bodies (FATF, MONEYVAL or EAG)

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Promoting implementation of the FATF Standards

FATF Associate Members (FSRBs) promote implementation of the FATF Standards through:

- Mutual evaluations
- Monitoring implementation (through follow-up and compliance enhancing processes)
- Co-ordination / delivery of technical assistance
- Typologies studies
- Participation in / contribution to FATF policy-making

FATF Recommendations

Coverage

- Legal systems (criminalisation, confiscation, etc.)
- Institutional framework (law enforcement and FIU)
- Preventive measures for financial institutions and designated non-financial businesses and professions
- Transparency of legal persons/arrangements & NPOs
- (Inter)national cooperation
- Effectiveness, resources and statistics (all areas)

Evaluating Compliance with FATF Standards

- ± 1 year from questionnaire to final report
- Assess legal framework and effectiveness
- On-site visit
- Meetings with private sector
- Onus on the assessed country
- Transparency
- Final report public
- Follow-up on deficiencies

International Co-operation

- Recommendation 21
- International Co-operation Review Group (ICRG)
- Issue of “Public statements” identifying countries that are high-risk or non cooperative

Private Sector Engagement

Forms of engagement

- Standard setting / when issuing guidance
- Typologies exercises
- Mutual evaluations
- General outreach

Revision of the FATF Recommendations: Main areas

- Transparency of legal persons and arrangements
- Beneficial ownership
- Customer due diligence
- The risk-based approach
- Tax crimes and their relation to money laundering
- International co-operation
- Cross-border exchange of information within and between financial institutions
- Targeted financial sanctions and proliferation financing
- Operational measures, including FIUs

Conclusion

- Support of OSCE in AML/CFT work welcome
- Note of caution: Possible duplication of work
 - Political endorsement of FATF Standards
 - Financial Investigation Guidance (FATF)
 - National Risk Assessment Guidance (FATF with co-operation of IMF and World Bank)
 - International co-operation (Egmont and others)
 - Corruption (G20, OECD, FATF...)

For more information

FATF website
www.fatf-gafi.org

FATF Secretariat
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