Outcomes FATF Plenary, 14-17 June 2022

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Berlin, 17 June 2022 - The last Plenary of the FATF under the German Presidency of Dr. Marcus Pleyer concluded today, following four days of hybrid meetings in Berlin, Germany. Delegates from over 200 jurisdictions of the Global Network participated in these discussions, with a significant number of participants once again able to travel for on-site meetings.

The FATF expressed its deepest sympathies for the people of Ukraine and continues to deplore the huge loss of life caused by the ongoing Russian invasion of Ukraine. As a result of the invasion, FATF agreed to severely limit the Russian Federation's role and influence within the FATF.

- ***FATF statement on the Russian Federation***

FATF members approved a report that will help the real estate sector to better detect and prevent money laundering, and finalised a targeted update on implementation of the FATF requirements on virtual assets and virtual asset service providers. FATF also approved releasing a white paper for public consultation on potential revisions to Recommendation 25 on transparency and beneficial ownership of legal arrangements.

Under the German Presidency, the FATF made it a priority to explore the opportunities and challenges of digitalisation in the fight against money laundering and terrorist financing. At this Plenary, the FATF finalised a report that shares good practices and recommendations for combating money laundering and terrorist financing by sharing information while adhering to data protection and privacy. This is the first report that provides tangible examples of information sharing initiatives with analysis of the data protection implications. It highlights the importance of collaboration and cooperation between anti-money laundering and data protection authorities.

Delegations heard an update on ongoing work, which includes efforts to help countries more effectively recover criminal assets. The Plenary agreed to start new work that includes a project on countering the laundering of proceeds from ransomware attacks and an update to the FATF best practices paper on combating the abuse of NPOs. Responding to the request from FATF ministers to advance the FATF's efforts to combat the laundering of illicit proceeds of corruption, the Plenary also agreed to undertake new projects on the misuse of citizenship and residency by investment schemes, guidance for assessors on how to assess implementation of the United Nations Convention Against Corruption, and a horizontal review on how the non-financial sector facilitates corruption.

Delegates welcomed a commitment by the incoming FATF Presidency of Singapore to push forward the strategic priorities identified by FATF Ministers in April this year.

The Plenary was preceded by the Working Group meetings from 6 to 13 June and the Digital Transformation Conference, also hosted by the German government in Berlin, on 11 June, which brought together private and public sector anti-money laundering (AML) / counter terrorist financing (CFT) leaders, experts in innovative technologies and data protection authorities to discuss the use of new technologies to mitigate money laundering and terrorist financing threats. [see summary]

Compliance with the FATF Standards

Mutual Evaluation of Germany and the Netherlands

The Plenary discussed the assessment of Germany, chaired by the FATF Vice-President, and the assessment of the Netherlands. The Plenary concluded that while Germany has made improvements to its AML/CFT framework over the past five years, some of these most recent reforms are not yet fully effective. Technical compliance with the FATF Standards is generally strong. Germany has taken positive steps to develop a stronger national understanding of money laundering and terrorist financing risks, improve co-ordination between Federal and state (Länder) governments and boost human resources to key institutions. However, major improvements in certain areas are required, including to effectively supervise the private sector (particularly the non-financial sectors), increase availability and access to beneficial ownership information, strengthen the development and use of financial intelligence by all relevant authorities including the Financial Intelligence Unit and Law Enforcement Authorities, and prioritise money laundering investigations and prosecutions.

The Netherlands has made notable improvements to its AML/CFT framework in recent years. Technical compliance with the FATF Standards is strong, although there are some outstanding deficiencies including in relation to the regulation of Virtual Asset Service Providers. A key strength of the Dutch AML/CFT system lies in its robust system of domestic co-operation and co-ordination at both policy and operation levels. Other strong aspects of the regime include the use of data in investigations and in the development of financial intelligence. The Netherlands makes it a strategic priority to confiscate criminal assets, and also proactively engages with the NPO sector to avoid their abuse for terrorist financing and prevent de-risking. However, various improvements should be made to prevent legal persons from being used for criminal purposes and to ensure that there is access to adequate, accurate and current beneficial ownership information. Other improvements include strengthening risk-based supervision and allocating adequate resources to tackling unlicensed activities.

The FATF will publish these reports by September, after a quality and consistency review.

Jurisdictions under Increased Monitoring

Jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to extra checks. In line with the flexible procedures adopted in February 2021 to allow FATF to continue its monitoring programme in light of the COVID-19 pandemic, the FATF has updated its statements for countries under review.

New jurisdictions subject to increased monitoring: Gibraltar.

- Jurisdictions under increased monitoring
- High-Risk Jurisdictions subject to a Call for Action (unchanged from February 2020)

Jurisdiction No Longer Under Increased Monitoring – Malta

The FATF congratulated Malta for the significant progress it has made in addressing the strategic AML/CFT deficiencies previously identified by the FATF and included in its action plan. Malta will no longer be subject to the FATF's increased monitoring process. This comes after the country received an on-site visit. Malta will work with FATF regional partner MONEYVAL, of which it is a member, to continue strengthening its AML/CFT regime.

Strategic initiatives

Information Sharing and Data Protection

A financial institution sees only one side of a financial transaction: a small piece of what is often a large, complex puzzle. Criminal groups, corrupt officials, terrorist organisations, weapons proliferators, drug and human traffickers continuously exploit this information gap to raise, use and move illicit funds. Collaborative analytics, bringing data together in responsible ways, or developing other sharing initiatives can help financial institutions understand the full picture to assess and mitigate money laundering and terrorist financing risks. However, the collection and use of personal data for these purposes can trigger data protection and privacy concerns. Relevant data and systems must be managed and designed in accordance with applicable data protection and privacy principles. This report provides observations and lessons learnt from members of the FATF and its Global Network who have increased private sector information sharing while meeting domestic data protection and privacy objectives and obligations. Countries that wish to embark on private sector information sharing mechanisms can learn from their peers how they have balanced data protection and privacy obligations with information sharing initiatives.

This report will be published in July.

Risk-based Approach Guidance for the Real Estate

Following a public consultation that concluded in April, the FATF finalised guidance that aims to help those involved in the real estate sector implement risk-based measures to prevent money laundering and terrorist financing. Professionals involved in the real estate sector, from real estate agents to notaries, play an important role in preventing criminals from laundering their illicit assets through the purchase of often high-end real estate. However, the fourth round of mutual evaluations has demonstrated that the sector generally has a poor understanding of the risks they face. The guidance will help the private sector participants develop a better understanding of the ML/TF risks and take effective measures to mitigate the risk.

The report will be published in July.

FATF Targeted Update on Implementation of the FATF Standards on Virtual Assets/VASPs - Travel Rule and Other Developments

The Plenary discussed a targeted update on implementation of the FATF Standards to prevent the misuse of virtual assets and virtual asset service providers (VASPs) for money laundering, and the financing of terrorism and proliferation. The report focuses in particular on the implementation of the FATF's Travel Rule, which requires VASPs to collect or send information on the identities of the originator and beneficiary with virtual asset transfers. The report highlights that some progress has continued but not all countries have started introducing the Travel Rule. The slow introduction of regulations in many countries leaves a significant gap that means the VASP sector is vulnerable for criminal misuse. The report stresses the urgent need for jurisdictions to implement and enforce the travel rule.

In addition, the report provides a brief update on emerging risks and market developments that FATF continues to monitor, such as Decentralised Finance (DeFi), Non-Fungible Tokens (NFTs), and unhosted wallets.

The report will be published at the end of June.

Improving access to Beneficial Ownership Information

Guidance to Implement the FATF Standard on Beneficial Ownership Information for legal persons

Transparency concerning the true beneficiary in financial transactions is critical to stopping illicit assets being laundered. In March 2022, the FATF agreed on tougher global beneficial ownership rules to stop criminals from laundering their dirty money or hiding illegal activities through complex corporate structures or legal persons. This includes the requirement to ensure beneficial ownership information is held by a registry or alternative mechanism, which is as efficient.

At this Plenary, the FATF discussed progress in developing a guidance that aims to help countries implement the revised requirements of the FATF. This will assist countries in the rapid implementation of these changes. Delegates agreed to seek views from targeted stakeholders before finalising the guidance in October 2022.

Strengthening the FATF Standard on Beneficial Ownership Information for trusts and other legal arrangements

The FATF is considering amendments to strengthen Recommendation 25, which applies to trusts and other legal arrangements. These revisions aim to ensure a balanced and coherent approach to beneficial ownership in the FATF Recommendations. The FATF is releasing a white paper for public consultation and welcomes views particularly on the scope of legal arrangements, risk assessment and foreign trusts; obligations of trustees; definition of beneficial owners; approach in collecting beneficial ownership information; adequate, accurate and up-to-date information; and obstacles to transparency. Deadline for comments is 1 August, 18h00 CEST.

Implementing the Strategic vision to strengthen the Global Network

The FATF approved a set of actions to implement the March 2022 Strategic vision for the Global Network of 206 jurisdictions, who have jointly agreed to strengthen their regimes to tackle money laundering, terrorist and proliferation financing. The FATF agreed to continue providing support to FATF-Style Regional Bodies for the completion of their current mutual evaluation round, in a timely manner and with quality reports, and to work jointly with them for the preparation of the next mutual evaluation round that is expected to start in 2025. The FATF Plenary supported projects to enhance the inclusiveness and cohesiveness of the Global Network.

Priorities under the Singapore Presidency

The FATF Plenary heard the incoming President T. Raja Kumar of Singapore highlight the priorities of his Presidency, which will start on 1 July 2022.

In line with the strategic priorities agreed by FATF Ministers in April, the work of the FATF will have a particular focus on strengthening asset recovery and international cooperation in combating cross-border financial crime, such as cyber-enabled fraud/scams and ransomware. The FATF will also work to strengthen the use of data analytics and public-private partnerships to better combat money laundering and terrorism financing. Alongside these contemporary issues, FATF members will continue to strengthen financial sector integrity through the timely and effective implementation of the FATF Recommendations as set out in the FATF's mandate. This includes close collaboration with FATF-Style Regional Bodies to enhance their capabilities and capacity.

The FATF will publish the FATF Priorities under its Singapore Presidency on 1 July.

More on:

- High-Risk Jurisdictions subject to a Call for Action - June 2022
- Jurisdictions under Increased Monitoring - June 2022

Publications

Jurisdictions under Increased Monitoring - June 2022

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Berlin, 17 June 2022 - Jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring. This list is often externally referred to as the "grey list".

The FATF and FATF-style regional bodies (FSRBs) continue to work with the jurisdictions below as they report on the progress achieved in addressing their strategic deficiencies. The FATF calls on these jurisdictions to complete their action plans expeditiously and within the agreed timeframes. The FATF welcomes their commitment and will closely monitor their progress. The FATF does not call for the application of enhanced due diligence measures to be applied to these jurisdictions, but encourages its members and all jurisdictions to take into account the information presented below in their risk analysis.

The FATF identifies additional jurisdictions, on an on-going basis, that have strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. A number of jurisdictions have not yet been reviewed by the FATF or their FSRBs, but will be in due course.

Since the start of the COVID-19 pandemic, the FATF has provided some flexibility to jurisdictions not facing immediate deadlines to report progress on a voluntary basis. The following countries had their progress reviewed by the FATF since March 2022: Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Haiti, Jamaica, Jordan, Mali, Malta, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, South Sudan, Türkiye, and Uganda. For these countries, updated statements are provided below. The United Arab Emirates chose to defer reporting to focus on its efforts; thus, the statement issued in March 2022 for that jurisdiction is included below, but it may not necessarily reflect the most recent status of the jurisdiction's AML/CFT regime. Following review, the FATF now also identifies Gibraltar.

The FATF welcomes the progress made by these countries in combating money laundering and terrorist financing, despite the challenges posed by COVID-19.

Jurisdictions with strategic deficiencies	Jurisdiction no longer subject to increased monitoring
Albania	Malta
Barbados	
Burkina Faso	
Cambodia	
Cayman Islands	
Gibraltar	
Haiti	
Jamaica	
Jordan	
Mali	
Morocco	
Myanmar	
Nicaragua	
Pakistan	
Panama	
Philippines	
Senegal	
South Sudan	
Syria	
Türkiye	
Uganda	
United Arab Emirates	
Yemen	

Albania

Since February 2020, when Albania made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime, Albania has taken steps towards improving its AML/CFT regime, including by enhancing the focus and efforts of law enforcement and prosecutorial authorities on applying the full range of seizure and confiscation measures, particularly in connection with assets linked to third-party money laundering by professionals and gatekeepers. Albania should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) ensuring an adequate legal framework for violations of company and NPO registration obligations and implementing proportionate and dissuasive sanctions; and (2) increasing the number of prosecutions for ML, especially in cases involving foreign predicate offences.

The FATF urges Albania to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines have now expired.

Barbados

Since February 2020, when Barbados made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, Barbados has taken steps towards improving its AML/CFT regime, including by establishing and resourcing a new compliance unit under its AML Authority responsible for DNFBP supervision; demonstrating that authorities have access to the BO information regarding legal arrangements; and reducing the backlog of criminal cases, including ML prosecutions. Barbados should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate and up-to-date basic and beneficial ownership information is available on a timely basis; (2) ensuring its FIU's financial intelligence products further assist law enforcement authorities in investigating ML or TF; (3) demonstrating that ML investigations and prosecutions are in line with the country's risk profile and result in sanctions, when appropriate, and provide statistics or case studies demonstrating a reduction of any backlog of cases; (4) further pursuing confiscation in ML cases, including by seeking assistance from foreign counterparts.

The FATF encourages Barbados to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines have now expired.

Burkina Faso

Since February 2021, when Burkina Faso made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Burkina Faso has taken steps towards improving its AML/CFT regime, including by conducting targeted financial sanctions (TFS) awareness-raising programmes for competent authorities and reporting entities. Burkina Faso should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) updating its understanding of ML/TF risks, including through the revision of the national risk assessment in line with the sectoral priorities identified in its national strategy; (2) seeking mutual legal assistance (MLA) and other forms of international cooperation in line with its risk profile; (3) strengthening of resource capacities of all AML/CFT supervisory authorities and implementing risk based supervision of FIs and DNFBPs; (4) maintaining comprehensive and updated basic and beneficial ownership information and strengthening the system of sanctions for violations of transparency obligations; (5) increasing the diversity of STR reporting; (6) enhancing the FIU's human resources through additional, hiring, training and budget; (7) conduct training for LEAs, prosecutors and other relevant authorities; (8) demonstrating that authorities are pursuing confiscation as a policy objective; (9) enhancing capacity and support for LEAs and prosecutorial authorities involved in combatting TF, in line with the TF National Strategy; and (10) implementing an effective targeted financial sanctions regime related to TF and PF as well as risk-based monitoring and supervision of NPOs.

Cambodia

Since February 2019, when Cambodia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime, Cambodia has taken steps towards improving its AML/CFT regime, including by improving the quality and quantity of FIU disseminations, demonstrating an increase in ML investigations in line with risk and providing training to strengthen the skills of competent authorities to implement TFS for PF. Cambodia should continue to take action to fully address the one remaining item in its action plan as all timelines have already expired, specifically by: demonstrating an increase in the freezing and confiscation of criminal proceeds, instrumentalities, and property of equivalent value.

The FATF again expresses significant concern that Cambodia failed to complete its action plan, which fully expired in January 2021. The FATF strongly urges Cambodia to swiftly complete its action plan by October 2022 or the FATF will consider calling on its members and urging all jurisdictions to apply enhanced due diligence to business relations and transactions with Cambodia.

The Cayman Islands

In February 2021, the Cayman Islands made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. The Cayman Islands should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) imposing adequate and effective sanctions in cases where relevant parties (including legal persons) do not file accurate, adequate and up-to-date beneficial ownership information in line with those requirements; and (2) demonstrating that they are prosecuting all types of money laundering cases in line with the jurisdiction's risk profile and that such prosecutions are resulting in the application of dissuasive, effective, and proportionate sanctions.
The FATF encourages the Cayman Islands to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines have now expired.

Gibraltar

In June 2022, Gibraltar made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in December 2019, Gibraltar has made progress on a significant number of its MER's recommended actions, such as completing a new national risk assessment, addressing the technical deficiencies in relation to BO-related record keeping, introducing transparency requirements for nominee shareholders and directors, strengthening the financial intelligence unit, and refining its ML investigation policy in line with risks. Gibraltar should work on implementing its action plan, including by: (1) ensuring that supervisory authorities for non-bank financial institutions and DNFBPs use a range of effective, proportionate, and dissuasive sanctions for AML/CFT breaches; and (2) demonstrating that it is more actively and successfully pursuing final confiscation judgements, through criminal or civil proceedings based on financial investigations.

Haiti

In June 2021, Haiti made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. Haiti should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) completing its ML/TF risk assessment process and disseminating the findings; (2) facilitating information sharing with relevant foreign counterparts; (3) addressing the technical deficiencies in its legal and regulatory framework that impede the implementation of AML/CFT preventive measures and implementing risk-based AML/CFT supervision for all financial institutions and DNFBPs deemed to constitute a higher ML/TF risk; (4) ensuring basic and beneficial ownership information are maintained and accessible in a timely manner; (5) ensuring a better use of financial intelligence and other relevant information by competent authorities for combatting ML and TF; (6) addressing the technical deficiencies in its ML offence and demonstrating authorities are identifying, investigating and prosecuting ML cases in a manner consistent with Haiti's risk profile; (7) demonstrating an increase of identification, tracing and recovery of proceeds of crime; (8) addressing the technical deficiencies in its TF offence and targeted financial sanctions regime; and (9) conducting appropriate risk-based monitoring of NPOs vulnerable to TF abuse without disrupting or discouraging legitimate NPO activities.

Jamaica

Since February 2020, when Jamaica made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, Jamaica has taken steps towards improving its AML/CFT regime, including by increasing investigative resources; training prosecutorial and law enforcement authorities; and improving the domestic coordination between these authorities. Jamaica should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) including all FIs and DNFBPs in the AML/CFT regime and ensuring adequate, risk-based supervision in all sectors; (2) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate and up-to-date basic and beneficial ownership information is available on a timely basis to competent authorities; and (3) implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.
The FATF urges Jamaica to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines have now expired.

Jordan

Since October 2021, when Jordan made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime, Jordan has taken steps towards improving its AML/CFT regime, including by rectifying its legal framework for TF TFS and demonstrating an effective process by the national committee and supervisory authorities to implement TFS without delay. Jordan should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) disseminating the risk assessments of NPOs, and completing and disseminating the ML/TF risk assessments of legal persons and virtual assets; (2) improving risk based supervision and applying effective, proportionate, and dissuasive sanctions for noncompliance; (3) conducting training and awareness raising programmes for DNFBPs on their AML/CFT obligations, particularly with regard to filing and submitting STRs; (4) maintaining comprehensive and updated basic and beneficial ownership information on legal persons and legal arrangements; (5) pursuing money laundering investigations and prosecutions, including through parallel financial investigations, for predicate offences in line with the risk identified in the NRA; (6) creating a legal obligation for confiscating instrumentalities used or intended to be used in ML crimes; (7) monitoring and effectively supervising the compliance of FIs and DNFBPs with TFS obligations; and (8) developing and implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

Mali

In October 2021, Mali made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Mali should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) disseminating the results of the NRA to all relevant stakeholders including by conducting awareness raising activities for the highest risk sectors; (2) developing and starting to implement a risk based approach for the AML/CFT supervision of all FIs and higher risk DNFBPs and demonstrating effective, proportionate and dissuasive sanctions for noncompliance; (3) conducting a comprehensive assessment of ML/TF risks associated with all types of legal persons; (4) increasing the capacity of the FIU and the LEAs and enhancing their cooperation on the use of financial intelligence; (5) ensuring relevant competent authorities are involved in investigation and prosecution of ML; (6) strengthening the capacities of relevant authorities responsible for investigation and prosecution of TF cases; (7) establishing a legal framework and procedures to implement TFS related to TF and PF; and (8) implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

Morocco

Since February 2021, when Morocco made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime, Morocco has taken steps towards improving its AML/CFT regime, including by licensing and monitoring the registration of DNFBPs and addressing technical deficiencies related to TFS. Morocco should continue to work to implement its action plan to address its strategic deficiencies, including by: (1) improving risk-based supervision and taking remedial actions and applying effective, proportionate and dissuasive sanctions for non-compliance; (2) undertake and share the results of the risk assessment on the misuse of all types of legal persons with the private sector and competent authorities; (3) increasing the diversity of suspicious transactions reporting; (4) establishing asset seizing and confiscation procedures; and (5) monitoring and effectively supervising the compliance of FIs and DNFBPs with targeted financial sanctions obligations.

Myanmar

In February 2020, Myanmar made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. Myanmar should work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating an improved understanding of ML risks in key areas; (2) demonstrating that onsite/offsite inspections are risk-based, and hundi operators are registered and supervised; (3) demonstrating enhanced use of financial intelligence in LEA investigations, and increasing operational analysis and disseminations by the FIU; (4) ensuring that ML is investigated/prosecuted in line with risks; (5) demonstrating investigation of transnational ML cases with international cooperation; (6) demonstrating an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value; (7) managing seized assets to preserve the value of seized goods until confiscation; and (8) demonstrating implementation of targeted financial sanctions related to PF.

The FATF again expresses significant concern with Myanmar's lack of progress with all deadlines having expired, and significant work remaining on the majority of its action plan including fundamental deficiencies that need to be addressed with respect to ML investigations, prosecutions and asset confiscation. The FATF again strongly urges Myanmar to swiftly complete its action plan by October 2022 or the FATF will consider calling on its members and urging all jurisdictions to apply enhanced due diligence to business relations and transactions with Myanmar.

Nicaragua

In February 2020, Nicaragua made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime.
Nicaragua has taken steps towards improving its AML/CFT regime specific to its FATF action plan, including by updating its national risk assessment on ML/TF and disseminating the outcomes of its ML/TF risk understanding to competent authorities and relevant private sector entities and putting in place mechanisms to ensure that beneficial ownership information of legal persons and arrangements is maintained and obtained in a timely manner.
At its June 2022 Plenary, the FATF made the initial determination that Nicaragua has substantially completed its action plan and warrants an on-site visit to verify that the implementation of Nicaragua's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation and improvement in the future. The FATF will continue to monitor the COVID-19 situation and conduct an on-site visit at the earliest possible date.

Pakistan

Since June 2018, when Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter terrorist financing-related deficiencies, Pakistan's continued political commitment to combating both terrorist financing and money laundering has led to significant progress. In particular, Pakistan demonstrated that TF investigations and prosecutions target senior leaders and commanders of UN designated terrorist groups and that there is a positive upwards trend in the number of ML investigations and prosecutions being pursued in Pakistan, in line with Pakistan's risk profile. In addition, Pakistan also largely addressed its 2021 action plan ahead of the set times.
At its June 2022 Plenary, the FATF made the initial determination that Pakistan has substantially completed its two action plans, covering 34 items, and warrants an on-site visit to verify that the implementation of Pakistan's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation and improvement in the future.
The FATF will continue to monitor the COVID-19 situation and conduct an on-site visit at the earliest possible date.

Panama

Since June 2019, when Panama made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime, Panama has taken steps towards improving its AML/CFT regime, including by improving the monitoring of the corporate sector, and focusing on ML investigations in relation to high-risk areas, particularly ML investigations involving foreign predicates and the seizing and confiscation of proceeds of crime. However, Panama should continue to take urgent action to fully address remaining measures in its action plan as all timelines have already expired in January 2021. Panama should therefore continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) ensuring effective, proportionate, and dissuasive sanctions in response to AML/CFT violations; (2) ensuring adequate verification, of up-to-date beneficial ownership information by obliged entities and timely access by competent authorities, establishing effective mechanisms to monitor the activities of offshore entities, to consider the risks of misuse of legal persons and arrangements to define and implement specific measures to prevent the misuse of nominee shareholders and directors; and (3) demonstrating its ability to investigate and prosecute ML involving foreign tax crimes.
The FATF again expresses significant concern that Panama failed to complete its action plan, which fully expired in January 2021. The FATF strongly urges Panama to swiftly complete its action plan by October 2022 or the FATF will consider calling on its members and urging all jurisdictions to apply enhanced due diligence to business relations and transactions with Panama.

Philippines

Since June 2021, when the Philippines made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime, the Philippines has taken steps towards improving its AML/CFT regime, including by implementing registration requirements and applying proportionate and dissuasive sanctions to unregistered and illegal remittance operators and increasing TF investigation and prosecution capacity. The Philippines should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating that effective risk-based supervision of DNFBPs is occurring; (2) demonstrating that supervisors are using AML/CFT controls to mitigate risks associated with casino junkets; (3) enhancing and streamlining LEA access to BO information and taking steps to ensure that BO information is accurate and up-to-date; (4) demonstrating an increase in the use of financial intelligence and an increase in ML investigations and prosecutions in line with risk; (5) demonstrating an increase in the identification, investigation and prosecution of TF cases; (6) demonstrating that appropriate measures are taken with respect to the NPO sector (including unregistered NPOs) without disrupting legitimate NPO activity; and (7) enhancing the effectiveness of the targeted financial sanctions framework for both TF and PF.

Senegal

Since February 2021, when Senegal made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Senegal has taken steps towards improving its AML/CFT regime, including by establishing and implementing a risk-based AML/CFT monitoring system, and continuing to enhance the FIU's resources to ensure effective operational analysis. Senegal should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) ensuring consistent understanding of ML/TF risks (in particular related to the DNFBP sector) across relevant authorities through training and outreach; (2) seeking MLA and other forms of international cooperation in line with its risk profile; (3) improving compliance by detecting AML/CFT violations and imposing effective, proportionate and dissuasive sanctions against non-compliant entities; (4) updating and maintaining comprehensive beneficial ownership information on legal persons and arrangements and strengthening the system of sanctions for violations of transparency obligations; (5) demonstrating that efforts aimed at strengthening detection mechanisms and reinforcing the capability to conduct ML/predicate offences investigations and prosecutions activities are sustained consistently in line with the Senegal's risk profile; (6) establishing comprehensive and standardised policies and procedures for identifying, tracing, seizing and confiscating proceeds and instrumentalities of crime in line with its risk profile; (7) strengthening the authorities understanding of TF risks and enhancing capacity and support for LEAs and prosecutorial authorities involved in TF in line with the 2019 TF National Strategy; and (8) implementing an effective TFS regime related to TF and PF as well as risk-based monitoring and supervision of NPOs.

South Sudan

In June 2021, South Sudan made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. South Sudan will work to implement its action plan, including by: (1) engaging with ESAAMLG for membership and committing to undergo a mutual evaluation by ESAAMLG; (2) conducting a comprehensive review of the AML/CFT Act (2012), with the support of international partners, including technical assistance, to comply with the FATF Standards; (3) becoming a party to and fully implementing the 1988 Vienna Convention, the 2000 Palermo Convention, and the 1999 Terrorist Financing Convention; (4) ensuring that competent authorities are suitably structured and capacitated to implement a risk-based approach to AML/CFT supervision for financial institutions; (5) developing a comprehensive legal framework to collect and verify the accuracy of beneficial ownership information for legal persons; (6) operationalising a fully functioning and independent FIU; (7) establishing and implementing the legal and institutional framework to implement targeted financial sanctions in compliance with United Nations Security Council Resolutions on terrorism and WMD proliferation financing; and (8) commencing implementation of targeted risk-based supervision/monitoring of NPOs at risk of TF abuse.
The FATF notes South Sudan's limited progress across its action plan. The FATF encourages South Sudan to continue to demonstrate its strong political and institutional commitment to strengthen the effectiveness of its AML/CFT regime, particularly in supporting the lead AML/CFT agency in coordinating national AML/CFT efforts and seeking full ESAAMLG membership.

Syria

Since February 2010, when Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Syria had substantially addressed its action plan at a technical level, including by criminalising terrorist financing and establishing procedures for freezing terrorist assets. While the FATF determined that Syria has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and will conduct an on-site visit at the earliest possible date.

Türkiye

Since October 2021, when Türkiye made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime, Türkiye has taken steps towards improving its AML/CFT regime, including by increasing the human resources at the FIU to conduct analysis and conducting some outreach to the NPO sector about their risks and vulnerabilities to terrorist financing activity. Türkiye should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) dedicating more resources at the FIU to supervision of AML/CFT compliance by high-risk sectors and increasing on-site inspections overall; (2) applying dissuasive sanctions for AML/CFT breaches, in particular for unregistered money transfer services and exchange offices and in relation to the requirements of adequate, accurate, and up-to-date beneficial ownership information; (3) enhancing the use of financial intelligence to support ML investigations and increasing proactive disseminations by the FIU; (4) undertaking more complex money laundering investigations and prosecutions; (5) setting out clear responsibilities and measurable performance objectives and metrics for the authorities responsible for recovering criminal assets and pursuing terrorism financing cases and using statistics to update risk assessments and inform policy; (6) conducting more financial investigations in terrorism cases, prioritising TF investigations and prosecutions related to UN-designated groups and ensuring TF investigations are extended to identify financing and support networks; (7) concerning targeted financial sanctions under UNSCRs 1373 and 1267, pursuing outgoing requests and domestic designations related to UN-designated groups, in line with Türkiye's risk profile; (8) to fully implement a risk-based approach to supervision of non-profit organisations to prevent their abuse for terrorist financing, conducting outreach to a broad range of NPOs in the sector and engaging with their feedback, ensuring that sanctions applied are proportionate to any violations, and taking steps to ensure that supervision does not disrupt or discourage legitimate NPO activity, such as fundraising.
The FATF continues to monitor Türkiye's oversight of the NPO sector. Türkiye is urged to demonstrate the implementation of the risk-based approach to supervision of NPOs in line with the FATF Standards.

Uganda

Since February 2020, when Uganda made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime, Uganda demonstrated progress, including conducting TF investigations and prosecutions. Uganda should continue to work to implement its action plan to address its strategic deficiencies, including by: (1) seeking international cooperation in line with the country's risk profile; (2) developing and implementing risk-based supervision of FIs and DNFBPs; (3) ensuring that competent authorities have timely access to accurate basic and beneficial ownership information for legal entities; (4) demonstrating LEAs and judicial authorities apply the ML offence consistent with the identified risks; (5) establishing and implementing policies and procedures for identifying, tracing, seizing and confiscating proceeds and instrumentalities of crime; (6) addressing the technical deficiencies in the legal framework to implement PF-related targeted financial sanctions; and (7) implementing a risk-based approach for supervision of its NPO sector to prevent TF abuse. The FATF continues to monitor Uganda's oversight of the NPO sector. Uganda is strongly urged to align the Terrorist Financing Risk Assessment for NPOs with the FATF Standards. This is needed to apply the risk-based approach to supervision of NPOs in line with the FATF Standards to mitigate unintended consequences.
The FATF urges the authorities to swiftly implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines have now expired.

The United Arab Emirates

(Statement from March 2022)

In February 2022, the United Arab Emirates (UAE) made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in February 2020, the UAE has made significant progress across its MER's recommended actions to improve its system, including by finalising a TF Risk Assessment, creating an AML/CFT coordination committee, establishing an effective system to implement targeted financial sanctions without delay, and significantly improving its ability to confiscate criminal proceeds and engage in international cooperation. Additionally, the UAE addressed or largely addressed more than half of the key recommended actions from the MER.
The UAE will work to implement its FATF action plan by: (1) demonstrating through case studies and statistics a sustained increase in outbound MLA requests to help facilitate investigation of TF, ML, and high-risk predicates; (2) identifying and maintaining a shared understanding of the ML/TF risks between the different DNFBP sectors and institutions; (3) showing an increase in the number and quality of STRs filed by FIs and DNFBPs; (4) achieving a more granular understanding of the risk of abuse of legal persons and, where applicable, legal arrangements, for ML/TF; (5) providing additional resources to the FIU to strengthen its analysis function and enhance the use of financial intelligence to pursue high-risk ML threats, such as proceeds of foreign predicate offenses, trade-based ML, and third-party laundering; (6) demonstrating a sustained increase in effective investigations and prosecutions of different types of ML cases consistent with UAE's risk profile; and (7) proactively identifying and combating sanctions evasion, including by using detailed TFS guidance in sustained awareness-raising with the private sector and demonstrating a better understanding of sanctions evasion among the private sector.

Yemen

Since February 2010, when Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Yemen had substantially addressed its action plan at a technical level, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing procedures to identify and freeze terrorist assets; (3) improving its customer due diligence and suspicious transaction reporting requirements; (4) issuing guidance; (5) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the financial intelligence unit; and (6) establishing a fully operational and effectively functioning financial intelligence unit. While the FATF determined that Yemen has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and conduct an on-site visit at the earliest possible date.

Jurisdiction No Longer Subject to Increased Monitoring by the FATF

Malta

The FATF welcomes Malta's significant progress in improving its AML/CFT regime. Malta has strengthened the effectiveness of its AML/CFT regime to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in June 2021 related to the detection of inaccurate company ownership information and sanctions on gatekeepers who fail to obtain accurate beneficial ownership information, as well as the pursuit of tax-based money laundering cases utilising financial intelligence. Malta is therefore no longer subject to the FATF's increased monitoring process. Malta should continue to work with MONEYVAL to sustain its improvements in its AML/CFT system.

More on:

- Outcomes Plenary June 2022

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High-risk and other monitored jurisdictions



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High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and, in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country. This list is often externally referred to as the "black list". Since February 2020, in light of the COVID-19 pandemic, the FATF has paused the review process for countries in the list of High-Risk Jurisdictions subject to a Call for Action, given that they are already subject to the FATF's call for countermeasures. Therefore, please refer to the statement on these jurisdictions adopted in February 2020. While the statement may not necessarily reflect the most recent status of Iran and the Democratic People's Republic of Korea's AML/CFT regimes, the FATF's call for action on these high-risk jurisdictions remains in effect.

- High-Risk Jurisdictions subject to a Call for Action – 21 February 2020

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- Jurisdictions under Increased Monitoring - June 2022
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