

FATF



Annual Report

2022

2023

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ABOUT THE FATF

The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction.

The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

For more information about the FATF, please visit www.fatf-gafi.org

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Acronyms

AML	Anti-money laundering
APG	Asia-Pacific Group on Money Laundering
CFATF	Caribbean Financial Action Task Force
CFT	Countering the financing of terrorism
DNFBP	Designated Non-Financial Businesses and Professions
DPRK	Democratic Republic of Korea
EAG	Eurasian Group
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	Financial Action Task Force
FSRB	FATF-Style Regional Body
FT	Financing of Terrorism
FUR	Follow-Up Report
GABAC	Task Force on Money Laundering in Central Africa
GAFILAT	Financial Action Task Force of Latin America
GIABA	Inter Governmental Action Group against Money Laundering in West Africa
GPFI	Global Partnership for Financial Inclusion
ICRG	International Co-operation Review Group
IMF	International Monetary Fund
ISIL	Islamic State of Iraq and the Levant
MENAFATF	Middle East and North Africa Financial Action Task Force
MONEYVAL	Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering
Measures	and the Financing of Terrorism
OECD	Organisation for Economic Cooperation and Development
PF	Proliferation Financing
SSB	Standard-Setting Bodies
TF	Terrorist Financing
UN	United Nations
UNSCR	United Nations Security Council Resolutions
VA	Virtual Asset
VASP	Virtual Asset Service Provider
WMD	Weapons of mass destruction



Message from the President

The first year of the Singapore Presidency saw significant progress made by the FATF in its fight against financial crime. This report summarises the FATF's accomplishments to deliver on its mandate and strategic priorities to prevent criminals, the corrupt and terrorists from abusing the international financial system and strengthen the foundations for sustainable and more inclusive economic development.

The current global context is deeply challenging, marked by geopolitical tensions and conflict, exacerbated by high inflation and an economic downturn caused by COVID-19. At a time when safety and security, sustainable development and global economic recovery are common objectives, it is more important than ever to ensure that resources and investments reach their intended goals and help strengthen economies worldwide. Effective implementation of the FATFs Global Standards to tackle money laundering and the financing of terrorism and proliferation (ML/TF/PF) will strengthen financial integrity, encourage investment and prevent the illicit financial flows that deprive countries of valuable resources, embolden criminal organisations and fuel further crime and terrorism. In our increasingly interconnected world, the fight against ML/TF/PF requires a strong collective global response. Neither finance nor crime are limited to national borders, so to achieve our goals on tackling illicit finance we need to work with all countries. The work of the Global Network, which consists of the FATF and nine regional bodies as Associate Members (FATF-Style Regional Bodies, FSRBs), as well as observers, to achieve these ends is crucial. The Global Network brings together 206 countries and jurisdictions committed to implement the FATF Recommendations. This ensures a global reach of FATE's work and contributes to inclusive and sustainable growth in jurisdictions and across regions.

This year, the FATF prioritised work to further **reinforce partnerships with FSRBs**. We held a second High-Level meeting with FSRBs Chairs to discuss important issues that impact global implementation of our Standards. As our Ministers did at the April 2022 Ministerial meeting, G20 Ministers also reaffirmed their commitment to deliver

on the strategic priorities of the Global Network in leading global action to tackle ML/TF/PF at the G20 Finance Ministers and Central Bank Governors Meeting in February 2023.

The FATF's Global Standards underpin our work, requiring countries to put in place robust legal frameworks and legislation to tackle illicit financial flows. But technical compliance is not enough to ensure that our economies and societies are protected. Throughout this year, the FATF focused on **increasing the effectiveness of these global anti-money laundering and counter-terrorist financing measures**. This includes work to address emerging risks, ensuring innovation in financial services is safe, and reinforcing the standards in fundamental areas to prevent misuse by criminals and terrorists.

We published updated guidance to help countries implement the recently revised requirements on **beneficial ownership of legal persons** and strengthened the FATF's Standard on **beneficial ownership of trusts and other legal arrangements**, to address the risk of such arrangements being abused for ML/TF/PF. The FATF is currently developing guidance to support implementation of the revised Recommendation on beneficial ownership of legal arrangements, as well as training to ensure that members and the Global Network are well informed of the Standards changes and how it will impact them. The guidance and training will ensure the swift and consistent implementation of FATF's tightened beneficial ownership information rules. With these revisions, the FATF has put in place a balanced and coherent set of FATF Standards on beneficial ownership and transparency for both legal persons and legal arrangements that will help prevent criminals, sanctions evaders, the corrupt and tax evaders from hiding their criminal activities and assets behind complex corporate structures or arrangements.

Under my Presidency, the FATF made it a priority to enhance the relevant portions of the FATF Standards on **asset recovery**. Past estimates suggest that only 1% of the proceeds of crime are actually recovered, a major effectiveness gap that needs to be decisively addressed. Successful asset recovery removes the financial driver



Top: Participants of the High-Level Meeting with FATF-Style Regional Bodies (FSRBs) Chairs and Executive Secretaries, June 2023.

Bottom, from left, INTERPOL Secretary General Jürgen Stock, FATF President T. Raja Kumar, and Mr K Shanmugam, Singapore's Minister for Home Affairs and Minister for Law, at the FATF-INTERPOL Roundtable Event, in Singapore.

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Neither crime nor finance are limited to national borders, so to achieve our goals on tackling illicit finance we need to work with all countries.



and motivator for crimes such as human trafficking, fraud, tax evasion and the drug trade. It is a key preventive strategy to disrupt criminal networks, safeguard our societies, and return stolen assets to victims, including governments. This year, the FATF is working on strengthening its standards to provide countries with a more robust toolkit to target and confiscate criminal assets. For the first time, the FATF also directly joined forces with INTERPOL in a strategic partnership through the FATF-INTERPOL Roundtable Engagement (the FIRE event) to focus on the strategic and operational changes necessary to take the profit out of crime. This partnership has strong potential to secure tangible gains in raising asset recovery outcomes and the FATF must remain committed to ensuring the success of this multi-year endeavour.



Top: FATF President T. Raja Kumar at the FATF Plenary, June 2023

Bottom, from left, Sri Mulyani, Minister of Finance of Indonesia, and FATF President T. Raja Kumar at the G20 Finance Ministers and Central Bank Governors meeting [photo AFP/Made Nagi]

This year, we also highlighted the urgent need to address the significant **gaps in the global regulation of virtual assets and virtual asset service providers**. Innovation and technology offer many opportunities. It holds the promise of faster, cheaper and safer payments solutions. FATF's objective is to ultimately ensure financial inclusion, with AML/CFT compliance issues considered at the design stage to ensure safety.

FATF reports noted the growing misuse of virtual assets by criminals to conceal their activities and move illicit proceeds rapidly across borders. Most jurisdictions are only partially compliant or not compliant with the FATF's requirements, such as identifying customers and their beneficial owners, and reporting suspicious transactions. To drive greater implementation, the FATF agreed on a **roadmap to identify countries with materially important virtual asset activity** and support them in strengthening the implementation of measures that will prevent criminals' abuse of this sector, and to report on our progress in the first half of 2024.

On global efforts to make **financial services faster, cheaper and more accessible, promote financial inclusion and to enhance cross-border payments systems**, FATF is focusing on finding synergies with the G20 and the Financial Stability Board and ensuring

that AML/CFT/CFP is well addressed. We are joining forces with partners to develop our expertise in relevant areas and deepening our engagement with private sector and civil society to fully inform our work and ensure we are up to date on contemporary payment system developments and other financial sector innovations.

The national AML/CFT frameworks of **89% of FATF Members have now been assessed** in the current 4th round cycle of evaluations. Each assessment focuses on whether the country is effectively tackling the risks that they are exposed to and provides targeted recommendations to help the country address deficiencies in its national framework. The assessments completed this year show that countries have generally implemented strong legal and regulatory frameworks. Six FATF members also received upgrades following significant reforms to address the weaknesses identified during their assessments. But most countries still need to do more to effectively use these frameworks and take meaningful action to detect and disrupt illicit financial flows.

The FATF also added two new e-learning courses, on **targeted financial sanctions** and on **virtual assets & virtual asset service providers**, to its comprehensive training programme which aims to build greater knowledge within the Global Network. FATF's training and support programme helps jurisdictions across the global network implement sound measures to tackle the illicit financial flows that fuel crime and terrorism. The programme also helps them prepare for the next round of mutual evaluations, which will have a much stronger focus on effectiveness.

FATF continuously monitors the emerging risks to the financial system and raises awareness about the new methods used to raise, use and move funds with links to criminal activity. This work can also identify areas where the FATF Standards require further refining, as was the case with the typologies work on environmental crime, which led to an amendment in the FATF Standards. This year, the FATF finalised reports on **countering ransomware financing, money laundering and terrorist financing in the art**



Top:from left, Violaine Clerc, FATF Executive Secretary, Xolisiile Khanyile, Chair of the Egmont Group of Financial Intelligence Units, FATF President T. Raja Kumar and Jerome Beaumont, Executive Secretary of the Egmont Group of Financial Intelligence Units.



Top: from left FATF President T. Raja Kumar, and William Hague at the United for Wildlife Global Summit, October 2022

Bottom: from left, Prince William, Prince of Wales and FATF President T. Raja Kumar at the United for Wildlife Global Summit, October 2022

and antiquities market and the **illicit proceeds generated from the fentanyl and related synthetic opioids supply chains**. These reports shed light on how criminals continuously look for loopholes and weaknesses to circumvent AML/CFT/CPF safeguards and how they have adopted and adapted new technologies to expand the scope of their criminal activities and facilitate their illicit financial flows, in particular through the use of virtual assets. These reports are crucial to raise awareness across the Global Network and help countries understand the risks they face so that they can implement the necessary safeguards.

The FATF also made significant progress in ongoing research, including analysis of money laundering from **cyber-enabled fraud**, in collaboration with INTERPOL and the Egmont Group and the laundering of the proceeds of corruption through **misuse of citizenship and residency by investment programs**, in collaboration with the OECD.

While financial integrity is essential to encourage investment and promote sustainable economic growth, it must not lead to the unintended consequence of de-risking and financial exclusion to avoid all risks, rather than manage them. **The FATF is paying close attention to the unintended consequences of the incorrect implementation of its standards.** During its assessments, the FATF looks at whether countries are taking a risk-based approach in their implementation of preventive measures. This year, the FATF has also advanced on its work to strengthen its standards and prevent the application of disproportionate measures on non-profit organisations.

As the world continues to face geopolitical instability in a difficult macro-economic context, the FATF's work is more important than ever. But in order for our collective efforts to make a real difference, we need to build on partnerships, involving both the public and private sectors. For the FATF, this includes further strengthening its global and coordinated approach with other international organisations, such as the IMF, INTERPOL, United Nations and the Egmont Group.

Partnerships are key to achieving our common goal of protecting the integrity of the financial system, promoting inclusive and sustainable growth and protecting safety and security in our society. However, the past year also saw the continuation of the Russian Federation's military invasion of Ukraine. Russia's actions run counter to FATF's principles of promoting security, safety and the integrity of the global financial system and the commitment to international cooperation and mutual respect upon which FATF Members have agreed to implement and support the FATF Standards. **In February 2023, the FATF made the unprecedented decision to suspend the membership of the Russian Federation.**

I am pleased to report that under my Presidency, we have initiated the **Women Leaders in AML and the Global Network** initiative, that aims to recognise and strengthen the role of women leaders in AML and the Global Network. This is meant to be a long-term project, and amongst other initiatives, we will roll out a mentoring programme for women leaders across the Global Network.

Finally, I wish to thank Elisa de Anda Madrazo, who has worked tirelessly for the last three years to assist the FATF Presidency as a very capable and effective Vice President. During my first year as President of the FATF, she has been a knowledgeable and reliable co-pilot. I greatly value her professionalism, passion and expertise to help advance FATF's work and, in particular, to contribute to our shared goal of strengthening the role of women in AML and the Global Network. I would like to thank her for her invaluable contributions and look forward to working with her successor, Jeremy Weil of Canada, former Head of the Canadian delegation, who assumed the post of Vice President from July 2023.

T. Raja Kumar

FATF President



Top: T. Raja Kumar during his inaugural remarks at the Women leaders in AML and the Global Network Initiative.

Bottom: from left, FATF Vice President Elisa de Anda Madrazo, FATF President T. Raja Kumar, and incoming FATF Vice President Jeremy Weil.

FATF Presidency Priority

Asset Recovery

Under the FATF Presidency, the FATF has made it a priority to strengthen asset recovery frameworks aimed at securing more effective results. Globally, authorities are tracing and recovering only a dismal fraction of criminal proceeds.

This means that far too often, criminals can enjoy the proceeds from crimes such as cyber-enabled fraud, human trafficking, environmental crime, drug trafficking and tax crimes. Criminal syndicates can use the proceeds to increase the scale and scope of their illegal activities, further jeopardizing safety and security across all our societies.

Successful asset recovery removes the incentives for criminal activity. It reduces the resources of criminals and debilitates their ability to fund new capabilities and capacity and helps victims of crime to recover at least some of their losses. It also has development impact by providing much-needed resources to governments, which can be spent on education, healthcare, infrastructure development and other social services. Asset recovery should be a key pillar of every country's approach to combating money laundering and terrorist financing. At their biennial meeting in 2022, FATF Ministers endorsed successful and effective asset recovery as a strategic

FATF priority. This year, under the Singapore Presidency, the FATF focused on several initiatives that aim to improve global asset recovery.

Assessments conducted throughout the Global Network reveal that most countries are not effectively tracing and recovering criminal assets. In an increasingly interconnected world, transnational crime is growing and criminals often rapidly layer and transfer proceeds of crime through multiple jurisdictions to evade detection. Countries will need to match the speed and sophistication of criminals to recover these illicit assets, including through effectively cooperating with international counterparts. In addition, multilateral mechanisms can provide legal and practical support to judicial and law enforcement authorities.

By the end of the 2023, the FATF will strengthen its Recommendations to require countries to implement a new suite of tools to effectively

freeze, seize, and confiscate criminal property, both domestically and through international cooperation. Ultimately, it is up to each country to implement these requirements in their national framework. More importantly, they need to make that mindset shift to “follow-the money” and take the profit out of crime.

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We can only derive high benefit from enhanced or new asset recovery legislation and measures if the right structures and systems are put in place that will facilitate its effective use. This includes the need to have timely access to funds flow information and the ability to rapidly exchange information across borders.

T. Raja Kumar

FATF President, LDF Forum, Rome

The FATF is working closely with INTERPOL, the Egmont Group and the CARIN/ARIN Networks to improve the way countries share information in connection with asset recovery.





FATF-Interpol Roundtable Engagement (FIRE)

In September 2022, the FATF and INTERPOL launched a joint initiative, FIRE, to deprive criminals of their dirty money. This is the first time that the FATF has combined forces with INTERPOL in a major global initiative, bringing policy and operational expertise together to create a formidable front to take the profit out of crime. The common goal is to cripple organized crime syndicates, better protect society and contribute to sustainable economic growth. The FIRE initiative mobilises a community of global experts and policymakers, as well as law enforcement agencies, financial intelligence units, asset recovery offices, prosecutors, international organisations and private sector industry leaders, and marks a turning point in global efforts to recover illicit assets.

At the first FIRE event hosted in Singapore, which brought together over 150 high-level experts, discussions

focused on the strategic and operational changes that are necessary at both national and international level. Participants agreed on the importance of a strong legal framework to effectively pursue asset recovery and the need for faster and more efficient international cooperation. The discussions also affirmed the need for strengthened FATF's Standards to provide countries with better tools to act effectively at every stage of the asset recovery process. Participants at the event also agreed that it was urgent to promote national policies and actions that prioritise asset recovery and increase information sharing between public authorities and with the private sector. Better understanding of the evolving financial crime landscape is crucial, especially in relation to cyber-enabled financial crimes which are borderless. The second FIRE event was held in Lyon in September 2023.

Participants at the joint FATF-INTERPOL Roundtable Event on Asset Recovery, in Singapore, September 2022



⇒ Learning and development forum on asset targeting and recovery

Hosted by Guardia di Finanza in Italy, the inaugural Learning and Development Forum provided a valuable opportunity for experts from across the FATF's Global Network to build connections with foreign counterparts and learn specifically about asset recovery experiences in other countries. They discussed examples of successful practices and channels for stronger and faster international cooperation. Over 300 judicial, law enforcement, FIU, tax and other operational experts, as well

as policy makers from around the globe participated in the event.

The FATF will continue its work on identifying solutions to strengthen global asset recovery, including through FIRE 2 in September 2023 and by finalising amendments to its Standards that will provide countries with much stronger tools to trace and recover proceeds of crime.

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The magnitude of illicit profits, and the velocity at which billions are moving across borders, is deeply worrying. Organized crime groups are undermining global financial systems and inflicting huge losses on businesses and individuals alike. We must do more to deliver the significant operational impact that is needed today.

Jürgen Stock

INTERPOL Secretary General
FIRE, Singapore, September 2022



Identifying risks, trends and methods



Understanding how criminals launder proceeds of crime or how they raise, use or move funds in support of terrorism or proliferation is crucial to detect, disrupt and prevent these financial crimes. As countries implement anti-money laundering and counter terrorist and proliferation financing measures, criminals must find new ways to raise and move assets to avoid detection by authorities.

FATF's research ensures that the FATF Standards continue to provide robust tools to mitigate new and evolving risks. It will also help countries better understand the risks they face so that they will be better able to implement effective measures that mitigate them.



3

typologies reports

Providing updated analysis of the methods that criminals and terrorist use to raise, use and move assets.



6

ongoing projects

Including joint work with Interpol, Egmont and the OECD.

During 2022-2023, the FATF completed research in a number of key areas. FATF complements its published research with targeted webinars.

These webinars, which bring together a diverse panel of experts on the topic, provide a unique opportunity for in-depth discussion from different perspectives. The webinars broadcast live and available as on-demand videos, aim to strengthen understanding on important, from money laundering or terrorist financing methods and trends to FATF Standards or guidance.





Ransomware

The global scale of ransomware attacks and ransomware payments has grown significantly in recent years, a fourfold increase in 2020 and 2021 compared to 2019, according to estimates.

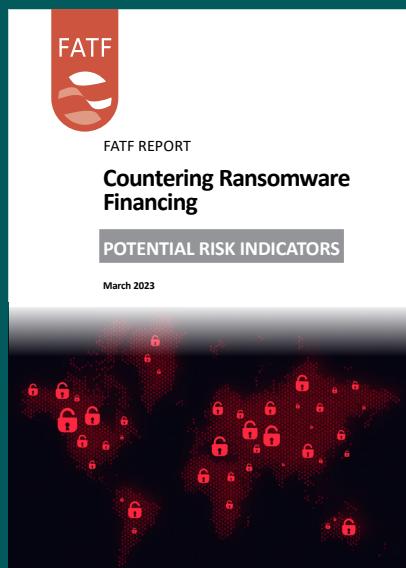
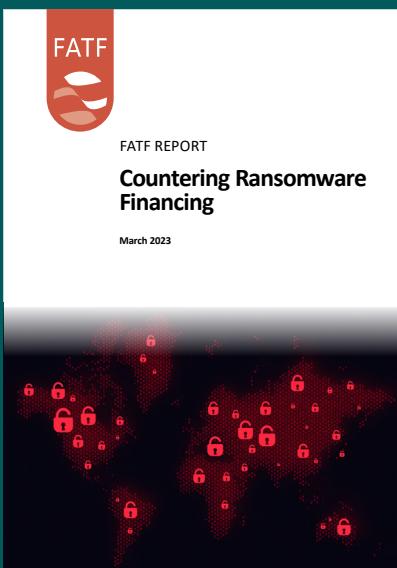
Such attacks target victims ranging from individuals to government agencies to businesses and key facilities and infrastructure operators around the world. Ransomware attacks have a far-reaching and sometimes devastating impact, not only for individuals but also for government agencies and business operations, disrupting essential infrastructure and vital services.

Under the Singapore Presidency, the FATF completed research that analysed how criminals execute ransomware attacks, and the intricate processes involved in making payments and conducting money

laundering. Criminals primarily use virtual assets, such as crypto currencies, capitalizing on easy access to virtual asset service providers worldwide. The research highlights concern regarding jurisdictions lacking robust anti-money laundering and counter-terrorism financing controls.

The report *Disrupting the financial flows from ransomware* presents concrete actions that countries can take to more effectively disrupt money laundering associated with ransomware.

The FATF also finalised a list of risk indicators for banks or other financial institutions and VASPs that can help public and private sector entities spot suspicious activities that could identify a ransomware victim payment, a ransomware payment receipt or criminal account.



Actions to more effectively disrupt money laundering associated with ransomware



Implement relevant FATF Standards, including on VASPs, and enhance detection

- this includes the implementation of FATF Recommendation 15, including the travel rule, the criminalisation of ransomware as a predicate money laundering offence (Recommendation 3), enhancing detection by sharing trends, guidance and risk indicators with regulated entities, and encouraging victim reporting through support, additional resources and safe channels.



Promote financial investigations and asset recovery efforts

- this includes ensuring the necessary skills and tools are available to quickly collect key information, trace the nearly instantaneous financial transactions and recover virtual assets before they dissipate.



Adopt a multi-disciplinary approach to tackle ransomware

- authorities must extend their collaboration beyond their traditional counterparts to include cybersecurity and data protection agencies.



Support partnerships with the private sector

- including with non-traditional partners such as VASPs, which will help create useful platforms for awareness raising.



Improve international co-operation

- this includes building on and leveraging existing international cooperation mechanisms at bilateral, regional and multilateral level, and establishing liaison offices and contact points to support rapid cross-border fund tracing.



Fentanyl and Synthetic Opioids

The synthetic opioid crisis is expanding its grip from North America, where the non-medical use of fentanyl has led to a record number of overdoses and deaths, to Africa and Asia where opioid-related cases are steadily growing. The crisis has led to hundreds of thousands of drug overdose deaths and has been fuelled by organised crime groups who generate tens of billions of dollars profit annually with the illicit production and trafficking of such synthetic opioids. Unless authorities take the profit out of this illicit trade, fentanyl and synthetic opioids will continue to extend their devastating reach and impact across the globe.

FATF research into the laundering of proceeds from this trade highlighted that criminal organisations use a range of methods to facilitate laundering of the huge proceeds of crime, including bulk cash smuggling, cash couriers, trade-based money laundering and

virtual assets, as well as shell companies and the services of professional money launderers.

While drug trafficking is a major predicate offence for money laundering in most countries, there appear to be few investigations and prosecutions of the laundering of proceeds from synthetic opioids trafficking. Many authorities do not fully understand the global money flows from opioids, or do not know how to identify potential procurement of chemicals, or laboratory and other specialised production equipment. FATF's research aims to raise awareness about this illicit trade, including the use of precursor chemicals, and the related global financial flows.

It also makes recommendations on the best approaches to detect and disrupt the criminal networks involved. The report also highlights a number of risk indicators that are relevant to financial



FATF REPORT
**Money Laundering
from Fentanyl and
Synthetic Opioids**
November 2022

aspect of synthetic drug trafficking and could indicate trade-based money laundering, or use of underground banking and unauthorised money value transfer services.

The devastating impact of the illicit trade in fentanyl and other synthetic opioids will continue to grow unless authorities become more effective in taking the profit out of this crime by following the money to the organized

criminal groups that bring these opioids into our streets and in the hands of members of our society. Money laundering should therefore become a central part of the strategy to tackle this crime.

Approaches to detect and disrupt the criminal networks involved in the illicit production and trafficking of synthetic opioids



Improve risk understanding

- including on supply chains and the role of the pharmaceutical industry, to develop more robust legal and regulatory frameworks to combat the trade in illicit opioids.



Drive financial investigations forward

- including through training of prosecutors and relevant authorities to carry out financial investigations, including in the precursor supply chain; identifying legal and operational obstacles to the identification, freezing, seizing and confiscating of assets linked to this illicit trade; and strong compliance policies and procedures.



Improve international co-operation

- expand international cooperation between source, transit and destination countries to identify and disrupt synthetic opioid supply chains.



Promoting private sector engagement and public-private partnerships

- Using these partnerships to raise risk awareness of new technologies, including dark web marketplaces and virtual assets, share red flag information, and help the private sector better identify and report suspicious activity.

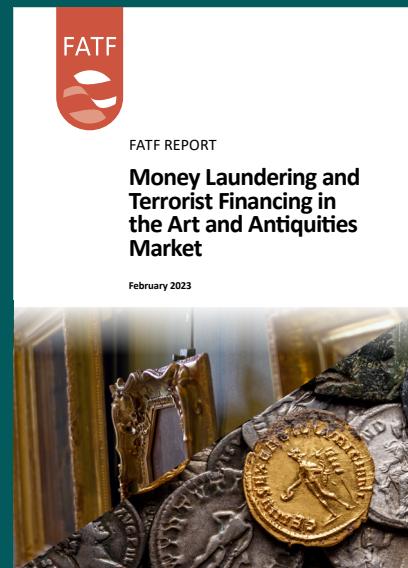
→ Art and Antiquities

The global art and antiquities market is a billion-dollar industry with a history of privacy and secrecy, where individual objects can attain high prices and where there is frequent use of third-party intermediaries. This has attracted criminals, organized crime groups and terrorists who abuse this market to launder the proceeds of crime and fund illicit activities. Terrorists have also been known to sell cultural objects from areas where they are active to finance their operations.

The majority of participants in the art and antiquities market are not engaged in illegal activities. However, there are risks associated with this market and many jurisdictions do not have sufficient awareness and understanding of them. As a result, there is a lack of expertise and resources to conduct investigations, in particular cross-border investigations. In February 2023, FATF published a report on *Money Laundering and*

Terrorist Financing in the Art and Antiquities Market, which analysed typical money laundering methods in the sector, including by hiding the beneficial owners, under or over-pricing and the use of fake sales or auctions. It looked at how criminals generate funds through art forgery, fraud, theft and illegal trafficking. FATF identified the challenges to detect and prevent the misuse of the art and antiquities market, including challenges to trace the original of cultural objects and or to identify and verify customers. FATF's research identified risk indicators that will help both public and private sector entities in recognizing suspicious activities within the art and antiquities markets.

Some countries have established good capabilities and practices, such



as specialized units and access to relevant databases and cooperation with experts and archaeologists to help identify, trace, investigate and repatriate cultural objects. But globally, more needs to be done. FATF's report, containing best practices and risk indicators, aims to help jurisdictions to more effectively go after the criminals that misuse this sector to fuel crime and terrorism.

Following the release of this report, FATF organized a webinar on this topic with participation by Paul DERGARABEDIAN – Senior Financial Crimes Specialist, United States Department of the Treasury; Viktor IVANOV – Policy Officer, Anti-Money Laundering and Countering Financing of Terrorism, European

Commission, Directorate-General for Financial Stability, Financial Services and Capital Markets Union (FISMA); Rena NEVILLE – Director, Corinth Consulting Ltd and Lead AML Consultant, FCS Compliance Art Division and Dr Donna YATES- Associate Professor of Criminology and Criminal Law, Maastricht University.

Webinar on *Money Laundering and Terrorist Financing in the Art and Antiquities Market* available as on-demand video on :



www.youtube.com/TheFATF





Migrant Smuggling

Migrant smuggling is a global issue. Every year, millions of migrants seek to escape regional conflict, political instability, persecution and poverty in search of a better future. They often risk their lives at the hands of migrant smugglers who see them as an opportunity to make financial gains and often have little regard for the migrants' safety. The proceeds generated by migrant smuggling are estimated to exceed USD10 billion per year. In March 2022, the FATF published a report that updated analysis of the money laundering and terrorist financing risks arising from migrant smuggling that aims to help countries understand and mitigate the risks and disrupt and recover the proceeds – an important driver of this crime.

On 13 July 2022, FATF organised a

webinar on the key findings from the FATF's report on this topic. The discussion was moderated by Dr Khalid KOSER, Founder and Executive Director, Global Community Engagement and Resilience Fund, with participation from Lucia BIRD RUIZ-BENITEZ DE LUGO - Director of the West Africa Observatory, Global Initiative against Transnational Crime; Salvador BRISENO- Criminal Intelligence Officer, Human Trafficking and Smuggling of Migrants Unit, INTERPOL; Zana KELAVA- Head of Risk, Investigation and Analytics, One International Bank and Melissa SIEGEL- Head of Migration Studies and Head of the Migration and Development Research Section, UNI MERIT & Maastrict University.

Webinar on *Money laundering and Terrorist Financing Risks arising from Migrant Smuggling* available as on-demand video on :



www.youtube.com/TheFATF



4.5K
views

Of the webinar on *Money laundering and Terrorist Financing Risks arising from Migrant Smuggling*

Joint Experts' Meetings

The Joint Experts' Meeting (JEM) is a unique FATF platform to build on and update risk understanding, based on the evidence and insights of law enforcement, financial intelligence, and security agency experts. This year's joint expert meeting brought together over 140 participants from across the Global Network.

The April 2023 JEM, the first held in person since the COVID-19 pandemic, provided an important opportunity for experts, including from the private sector and civil society, to exchange insights on emerging money laundering and terrorist financing risks and to provide input into FATF's ongoing work. During the three-day event, hosted in New Delhi by the Indian Ministry of Finance, Department of Revenue, experts discussed FATF's ongoing work on **cyber-enabled fraud, the misuse of citizenship and residency investment programmes and terrorist financing through crowdfunding**. This valuable input will be taken into account in the reports that will be approved by Plenary in October 2023.

In his opening remarks, FATF President T. Raja Kumar highlighted the importance of this forum for experts to share operational knowledge and experience, and to steer the FATF on the best course to deal with new and emerging risks and threats.

Participants at the Joint Experts' Meeting listen to FATF President T. Raja Kumar's opening remarks.

FATF/UNODC workshop hawala and similar service providers

On the margins of the JEM, the FATF and UNODC organized a joint one-day workshop on the risks and challenges associated with hawala and similar service providers. Authorities discussed measures and ways to increase the effectiveness of the Global Network to address these risks, while recognizing the need to safeguard financial inclusion efforts.



Setting the International Standards

The FATF Recommendations, or the FATF Standards, requires countries to put in place a robust toolbox to tackle the illicit financial flows from crimes such as drug trafficking, tax fraud, corruption and human trafficking, and disrupt and prevent terrorist financing and the financing of proliferation of weapons of mass destruction.

Over 200 countries around the world have committed to implement these global standards in their national frameworks. The FATF continuously refines and strengthens its Standards in response to evolving threats.

www.fatf-gafi.org/en/topics/fatf-recommendations.html



4
public
consultations



2 guidance
papers

1 major update
to the
Standards

The FATF actively engaged with its stakeholders to raise awareness about the requirements of the FATF Recommendations, seek input or contribute to collaboration on common projects. These engagements demonstrate the FATF's leading role in setting global standards to tackle money laundering, terrorist financing and proliferation financing and help clarify the requirements to relevant audiences. At the same time, these engagements inform FATF's ongoing work in refining and strengthening the Standards. This year, the FATF Secretariat coordinated and/or participated in:

This year, the FATF Secretariat coordinated, and/or participated in:

- ➔ **24** FATF meetings, workshops, briefings,
- ➔ **4** events of the FATF's virtual asset contact group,
- ➔ **3** private sector events and
- ➔ **26** external events



Beneficial Ownership

This year, the FATF continued its work to improve beneficial ownership transparency Standards. The corrupt, sanctions evaders, money launderers and tax evaders often use anonymous shell companies, trusts or other legal persons or arrangements to hide their activities or their illegally obtained assets. FATF's assessments have shown that most countries have failed to effectively prevent such abuse of legal persons and arrangements and to ensure that law enforcement agencies have adequate, accurate and updated information on their real beneficial owners without impediments.

Recommendation 24 - Legal Persons

Complex corporate structures can have legitimate uses, but they can also be used for illicit purposes. For example, corrupt officials may use shell companies to launder money siphoned away from public funds to the detriment of public services such as healthcare and education. The lack of beneficial ownership transparency across different jurisdictions makes it difficult for law enforcement to track down the ultimate beneficial owners behind companies suspected of financial crime.

The FATF strengthened its Standard on beneficial ownership of legal persons in March 2022. **This year, the FATF developed guidance to help countries and the private sector implement the revised requirements of Recommendation 24 on legal persons.** The guidance will help countries identify, design and implement appropriate measures to ensure that beneficial ownership information is held by a public authority or body functioning as a beneficial ownership registry, or



BENEFICIAL OWNERSHIP
OF LEGAL PERSONS

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an alternative mechanism that enables efficient access to the information. The guidance will also help countries assess and mitigate the money laundering and terrorist financing risks associated with foreign companies to which their countries are exposed.

This guidance was the result of several months of intense consultation with external stakeholders and the private sector, including through a public consultation at the end of 2022. This ensures that the guidance is clear and addresses the questions that stakeholders in the public and private sectors may have.

The FATF dove further into this topic with a webinar which focused on the objectives and rationale behind the changes to the FATF Standards, with the participation of Professor Michael Levi, Professor of Criminology, Cardiff University; Chiara Bacci, Policy Officer, European Commission; Isabelle Scherf - Global Head of Financial Crime Compliance, Fidelity International; Emilie Van der Does de Willebois- Global Lead for Financial Market Integrity, Finance, Competitiveness & Innovation, World Bank and moderated by Tom Neylan, Head of Risk and Policy Unit, at the FATF Secretariat.

This panel of experts, who helped shape FATF's work on beneficial ownership, discussed national

experiences, challenges and lessons learnt in collecting beneficial ownership information. The panel also explored the role of the private sector in enhancing the accuracy and timeliness of beneficial ownership information.

Recommendation 25 - Legal Arrangements

In February 2023, the FATF agreed on enhancements to Recommendation 25 on legal arrangements to bring its requirements broadly in line with those for Recommendation 24 on legal persons. These amendments ensure a balanced and coherent set of FATF Standards on beneficial ownership for both legal persons and arrangements. In doing so, the FATF sought input from relevant stakeholders, including through a White Paper consultation and a public consultation on proposed changes.

Following the adoption of the updates to the Standards, the FATF has started work on a guidance document to help countries implement the revised requirements of Recommendation 25. The FATF expects to complete this work by February 2024.

Webinar on *Beneficial Ownership of Legal Persons* available as on-demand video on :



www.youtube.com/TheFATF

www.fatf-gafi.org/en/topics/beneficial-ownership.html



Virtual Assets

Four years after the FATF strengthened its Standards to address virtual assets and virtual asset services providers, global implementation of these measures remains relatively poor. In June 2023, the FATF released its third targeted update on implementation of FATF Recommendation 15 on virtual assets and virtual asset service providers.

The update shows that jurisdictions continue to struggle with implementing the fundamental requirements of this Recommendation. Based on 98 FATF mutual evaluation and follow-up reports, 75% of jurisdictions are either only partially or not compliant with the FATF's requirements. There is also insufficient progress on implementation of the Travel Rule, a key FATF requirement to guard against the ML/TF/PF risks surrounding virtual assets. More than half of the jurisdictions that responded to FATF's 2023 Survey still had not taken any steps towards implementing the Travel Rule.

This is a serious concern as the risks posed by virtual assets continue to increase. The lack of regulation of virtual assets and virtual asset service providers creates significant loopholes for criminals to exploit. For example, FATFs report on disrupting the financial flows from ransomware highlights that ransom demands are almost exclusively in virtual assets.

Next Steps

Given the urgent need to close the gaps in global regulation, the FATF Plenary in June 2023 agreed on a “Roadmap” to accelerate implementation of Recommendation 15. This roadmap includes measures to support countries, including training, outreach, sharing of relevant laws, risk assessments and guidance. The FATF and its Virtual Assets Contact Group (VACG) will continue to conduct outreach to and assist low-capacity jurisdictions to implement Recommendation 15 and regulate the virtual assets sector.

In the first half of 2024, the FATF will publish a table that shows the steps that FATF member jurisdictions and other jurisdictions with materially important virtual asset activities have taken to implement Recommendation 15.

The FATF recognizes that the private sector has made some progress to comply with the requirements of the Standards. It is important to ensure that all players have appropriate risk identification and mitigation measures in place and that tools to comply with the Travel rule are compliant and interoperable.

The FATF will continue to work with the Global Network and private sector to monitor the fast-evolving risks in this sector, share approaches and identify challenges.

⇒ Real Estate Sector

Real estate investment opportunities can attract criminals who seek to launder illicit profits or who are looking for real estate to use as part of their criminal activities. In some countries, the high demand for real estate has even led to a significant increase in property prices.

As highlighted in FATF's mutual evaluations, professionals in the real estate sector and their supervisors often do not fully understand how their sector can be abused for money laundering or terrorist financing. **The FATF therefore updated its guidance for a risk-based approach for the real-estate sector to provide real estate professionals with tools and examples to help them implement the FATF's requirements.**

In November 2022, the FATF organized a webinar with participation by Christine Lustig - Financial Intelligence

Unit Germany; Nicola Thivessen - Kinleigh Folkard & Hayward; Tommas Kaplan - Von Poll; Peter German KC, PhD, moderator, President International Centre for Criminal Law Reform, Chair of the Advisory Committee of the Vancouver Anti-Corruption Institute (VACI); Susan J. Schneider - US Department of Justice; and Andrew Sander- US Treasury.

This panel of highly experienced public and private sector experts shared their perspectives on tackling money laundering through real estate transactions. The discussions highlighted the value of public-private partnerships, the supervisory framework, and some of the common challenges.

Webinar on *Money Laundering through the Real Estate Sector* available as on-demand video on :



www.youtube.com/TheFATF





Unintended Consequences of the Revision of Recommendation 8 on Non-Profits

The 2021 FATF stocktake on unintended consequences of the FATF Standards highlighted that there are still significant issues with the risk-based implementation of Recommendation 8 on non-profit organisations (NPOs) in the Global Network.

NPOs play a vital role in the world, often providing essential and sometimes lifesaving services to those in need, but some of them may be abused for terrorist financing. FATF Recommendation 8 addresses the abuse of NPOs for terrorist financing. In 2016, the FATF clarified that not all NPOs are vulnerable to terrorist financing abuse and called on countries to apply a risk-based approach to address the risks, without disrupting or discouraging legitimate non-profit activities.

The incorrect implementation of FATF Recommendation 8 can have a chilling effect on the activities of legitimate NPOs.

In June 2023, the FATF agreed to release for public consultation, proposed amendments to Recommendation 8 and its Interpretive Note, which will add clarity to the requirements and aim to ensure correct implementation.

The FATF has also proposed to update its best practices paper on combating the abuse of NPOs which reflects proposed changes to Recommendation 8. With this work, the FATF aims to protect NPOs from abuse for terrorist financing, while ensuring that legitimate NPO activities are not unduly disrupted.



Mutual Evaluations

All member countries of the Global Network have committed to implementing the FATF Recommendations. The Mutual Evaluation, a rigorous peer review, assesses whether countries have implemented the requirements of the FATF Recommendations and how effectively their systems are tackling the risks they are exposed to and combating money laundering and the financing of terrorism and proliferation of weapons of mass destruction.

www.fatf-gafi.org/en/topics/mutual-evaluations.html



published this year:

4

mutual evaluations

6

follow-up reports



89%

of FATF Membership
has been assessed

During the 2022-2023 Plenary year, the FATF published four mutual evaluation reports: on Germany, Indonesia, The Netherlands and, jointly with MENAFTF, Qatar. In August 2022, the FATF published the mutual evaluation reports of Germany and The Netherlands, which had been discussed and adopted at the June 2022 Plenary in Berlin.

In February 2023, the FATF discussed and adopted the joint FATF-MENAFTF mutual evaluation report of Gulf Cooperation Council member Qatar.

The FATF also discussed and adopted the mutual evaluation report of observer member Indonesia, in the context of its request for FATF membership. Indonesia is already a member of the FATF-Style

Regional Body, the Asia/Pacific Group on Money Laundering. Following this assessment, Indonesia continues its work to fulfil the FATF's membership requirements.

In June 2023, the FATF discussed and adopted the mutual evaluation report of Luxembourg which will be published following a quality and consistency review, in line with the FATF Procedures.

By the end of the 2022-2023 Plenary year, the FATF published the mutual evaluation reports of 33 of its 37 member countries; 89% of FATF members have now been evaluated in the current 4th Round.

Overall, the reports demonstrate that commitment to technical compliance with the FATF Standards is high. The countries evaluated so far rated largely compliant (LC) or compliant (C) on 77% of the Recommendations in their mutual evaluation report. This percentage increases through the follow-up process, as outlined below. However, in terms of effectiveness, countries are only achieving moderate or low levels of effectiveness in 57% of the Immediate Outcomes, indicating there needs to be a greater emphasis on the effective implementation of the FATF Recommendations.

Published mutual evaluation reports



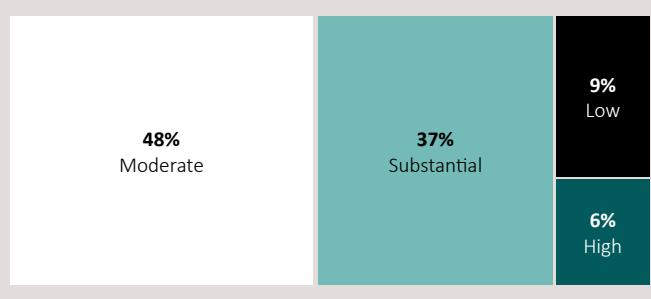
Technical compliance

of FATF Members' AML/CFT regimes*



Level of effectiveness

of FATF Members' AML/CFT regimes*



* At the time of their mutual evaluation.

Source: 33 completed mutual evaluation reports for FATF Members in the 4th Round.



Follow-up process

During 2022-2023, the FATF adopted and published six technical compliance re-rating reports in which FATF members received one or more upgrades for technical compliance with the FATF's 40 Recommendations. These jurisdictions (China; Finland; Hong Kong, China; Japan; Mexico and Norway) significantly improved on their technical compliance since their mutual evaluation report as reflected in detail in the chart below.

Follow-up reports involving technical compliance re-rating requests also look at whether countries' measures meet the requirements of any FATF Recommendations that have changed since their on-site visit.

Both Hong Kong, China and Norway were assessed for technical compliance with the requirements on virtual assets and virtual asset service providers (R.15), with both countries receiving a downgrade to partially compliant and largely compliant respectively.

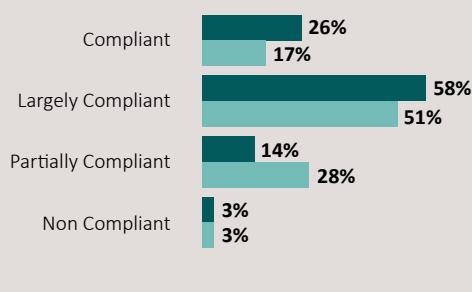
The FATF 4th Round of mutual evaluations is nearing completion. The assessments of the four remaining FATF members in this current cycle are underway, with the last assessment expected to be discussed and adopted at the October 2024 Plenary.

Published follow-up reports



Technical compliance

after re-rating in follow-up report*



* Source: mutual evaluation reports and follow-up reports for China; Finland; Hong Kong, China; Japan; Norway; and Mexico



5th Round of Mutual Evaluations

With the next round of mutual evaluations commencing in late 2024, the FATF placed a significant focus on preparations for the next round. This includes work to clarify and refine the 5th Round Methodology for assessments and Procedures for assessments and follow-up. The Methodology, which was approved by the FATF in March 2022, but is not yet in effect, will be the foundation for all assessments conducted in the 5th round of mutual evaluations. The Procedures, also approved in March 2022, describe the steps for assessment and follow-up processes.

When the Plenary approved the Methodology and Procedures for the 5th round of mutual evaluations in 2022, delegates also agreed that the 5th round should take six years to complete. When the 4th round is completed at the end of 2024, it will have taken the FATF 10 years to assess all its members. The significantly shorter 5th round will require an accelerated pace of assessments, with approximately seven mutual evaluations adopted each year.

A priority for the FATF during this Plenary year had therefore been to identify the resources necessary to support the shorter evaluation cycle at the FATF and within the Global Network, while ensuring consistent and high-quality assessments.

Work will continue in this area during the 2023-2024 Plenary year, alongside assessor training activities and outreach to the FSRBs to help them prepare for the next round of mutual evaluations.

Ratings following the mutual evaluation and follow-up reports published during 2022-2023

mutual evaluation report (shaded cell) not reassessed during follow-up

	China	Finland	Germany	Hong Kong, China	Indonesia	Japan	Mexico	Netherlands	Norway	Qatar
High	●	●	●	●	●	●	●	●	●	●
Substantial	●	●	●	●	●	●	●	●	●	●
Moderate	●	●	●	●	●	●	●	●	●	●
Low	●	●	●	●	●	●	●	●	●	●
Risk, policy and coordination (IO.1)	●	●	●	●	●	●	●	●	●	●
International co-operation (IO.2)	●	●	●	●	●	●	●	●	●	●
Supervision (IO.3)	●	●	●	●	●	●	●	●	●	●
Preventive measures (IO.4)	●	●	●	●	●	●	●	●	●	●
Legal persons & arrangements (IO.5)	●	●	●	●	●	●	●	●	●	●
Financial intelligence (IO.6)	●	●	●	●	●	●	●	●	●	●
ML investigation & prosecution (IO.7)	●	●	●	●	●	●	●	●	●	●
Confiscation (IO.8)	●	●	●	●	●	●	●	●	●	●
TF investigation & prosecution (IO.9)	●	●	●	●	●	●	●	●	●	●
TF preventive measures & financial sanctions (IO.10)	●	●	●	●	●	●	●	●	●	●
PF financial sanctions (IO.11)	●	●	●	●	●	●	●	●	●	●
Compliant	●	●	●	●	●	●	●	●	●	●
Largely compliant	●	●	●	●	●	●	●	●	●	●
Partially compliant	●	●	●	●	●	●	●	●	●	●
Non compliant	●	●	●	●	●	●	●	●	●	●
Assessing risk & applying risk-based approach (R.1)	●	●	●	●	●	●	●	●	●	●
National cooperation & coordination (R.2)	●	●	●	●	●	●	●	●	●	●
Money laundering offence (R.3)	●	●	●	●	●	●	●	●	●	●
Confiscation & provisional measures (R.4)	●	●	●	●	●	●	●	●	●	●
Terrorist financing offence (R.5)	●	●	●	●	●	●	●	●	●	●
Targeted financial sanctions- terrorism & TF (R.6)	●	●	●	●	●	●	●	●	●	●
Targeted financial sanctions- proliferation (R.7)	●	●	●	●	●	●	●	●	●	●
Non-profit organisations (R.8)	●	●	●	●	●	●	●	●	●	●
Financial institutions secrecy laws (R.9)	●	●	●	●	●	●	●	●	●	●
Customer due diligence (R.10)	●	●	●	●	●	●	●	●	●	●
Record keeping (R.11)	●	●	●	●	●	●	●	●	●	●
Politically exposed persons (R.12)	●	●	●	●	●	●	●	●	●	●
Correspondent banking (R.13)	●	●	●	●	●	●	●	●	●	●
Money or value transfer services (R.14)	●	●	●	●	●	●	●	●	●	●
New technologies (R.15)	●	●	●	●	●	●	●	●	●	●
Wire transfers (R.16)	●	●	●	●	●	●	●	●	●	●
Reliance on third parties (R.17)	●	●	●	●	●	●	N/A	●	●	●
Internal controls & foreign branches /subsidiaries (R.18)	●	●	●	●	●	●	●	●	●	●
Higher risk countries (R.19)	●	●	●	●	●	●	●	●	●	●
Reporting of suspicious transactions (R.20)	●	●	●	●	●	●	●	●	●	●
Tipping-of and confidentiality (R.21)	●	●	●	●	●	●	●	●	●	●
DNFBPs- customer due diligence (R.22)	●	●	●	●	●	●	●	●	●	●
DNFBPs- other measures (R.23)	●	●	●	●	●	●	●	●	●	●
Transparency & BO of legal persons (R.24)	●	●	●	●	●	●	●	●	●	●
Transparency & BO of legal arrangements (R.25)	●	●	●	●	●	●	●	●	●	●
Regulation & supervision of financial institutions (R.26)	●	●	●	●	●	●	●	●	●	●
Powers of supervision (R. 27)	●	●	●	●	●	●	●	●	●	●
Regulation & supervision of DNFBPs (R.28)	●	●	●	●	●	●	●	●	●	●
Financial intelligence units (R.29)	●	●	●	●	●	●	●	●	●	●
Responsibilities law enforcement / investigative authorities (R.30)	●	●	●	●	●	●	●	●	●	●
Powers law enforcement / investigative authorities (R.31)	●	●	●	●	●	●	●	●	●	●
Cash couriers (R.32)	●	●	●	●	●	●	●	●	●	●
Statistics (R.33)	●	●	●	●	●	●	●	●	●	●
Guidance and feedback (R.34)	●	●	●	●	●	●	●	●	●	●
Sanctions (R.35)	●	●	●	●	●	●	●	●	●	●
International instruments (R. 36)	●	●	●	●	●	●	●	●	●	●
Mutual legal assistance (R.37)	●	●	●	●	●	●	●	●	●	●
Mutual legal assistance: freezing and confiscation (R.38)	●	●	●	●	●	●	●	●	●	●
Extradition (R.39)	●	●	●	●	●	●	●	●	●	●
Other forms of international cooperation (R.40)	●	●	●	●	●	●	●	●	●	●



High risk and Other Monitored Jurisdictions

Criminals exploit countries with weak measures to tackle money laundering and terrorist financing to conduct their illicit financial transactions. It has a negative impact on safety and security in the country, increasing crime but also contributes to economic instability and a loss of trust in government and the rule of law. This is why FATF works to identify jurisdictions with such strategic deficiencies, also referred to as the ‘grey list’, and to raise awareness about the specific risks emanating from each of them. This public identification of the weak links in the global financial system, will help keep out the illicit financial flows that enable criminal activity such as drugs and arms trafficking, human trafficking and terrorist financing.

www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html



125
countries and
jurisdictions
reviewed
as at June 2023



101
jurisdictions publicly
listed

72
have since made the
necessary reforms
as at June 2023

Though its International Co-operation Review Group (ICRG), the FATF focuses on the fundamental deficiencies that put a jurisdiction at risk of having its financial system abused for illicit finance. A country is not added to the grey list because of one or two deficiencies, but because it does not have the fundamental measures to crack down on money laundering and terrorist financing, which poses a risk to the entire global financial system. Illicit finance enables a wide range of criminal activity such as drugs and arms trafficking, human trafficking and terrorist attacks. It also contributes to a high cost of living, loss of government resources for essential infrastructure and makes a country less attractive for public and private investment. Combatting these illicit financial flows is therefore critical to sustainable economic and social development.

FATF works closely with each monitored jurisdiction, in particular low-capacity countries, to support them in developing their action plan and to monitor their progress in strengthening their measures to address their particular risks and context. A new training programme introduced in jANUwill help jurisdictions in the ICRG process better understand what is required from them. This will allow them to efficiently work through their action plan and demonstrate the necessary progress to exit the ICRG process. Exiting the ICRG process will restore a jurisdiction's reputation as a safe place to do business, help attract investment and contribute to inclusive and sustainable growth.

⇒ New jurisdictions subject to increased monitoring

In October 2022, the FATF added the Democratic Republic of Congo, Mozambique and Tanzania to its grey list. In February 2023, it added South Africa and Nigeria, and in June 2023, Cameroon, Croatia and Vietnam were added. Each country under increased monitoring recognised the deficiencies and committed to an action plan to

strengthen their measures and to report back to the FATF on the progress it has made.

The FATF and the FATF-Style Regional Bodies will work with these countries as they focus on completing their respective action plans within the agreed timeframe.

⇒ Removal from increased monitoring

The public identification by the FATF is a powerful and effective tool to generate the necessary political commitment to drive through the required reforms. These reforms will improve the strength and transparency of a country's financial system and have a positive impact on a country's reputation.

Since July 2022, four countries were able to demonstrate that they had implemented the necessary major reforms in line with their respective action plans and that there was high-level political commitment to sustain the reforms. These countries are no longer subject to FATF's increased monitoring.

Cambodia | In February 2023, the FATF also welcomed Cambodia's significant progress in improving its AML/CFT regime. Cambodia 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 February 2019. Cambodia made improvements in the legal framework for international cooperation and preventive measures and risk-based supervision of financial institutions and designated non-financial businesses and professions. The country also improved the quality and quantity of FIU disseminations, it increased and improved investigation and prosecution of money laundering and asset confiscation. Cambodia also established and implemented a legal framework for proliferation financing targeted financial sanctions.

Morocco | In February 2023, the FATF welcomed Morocco's significant progress in improving its AML/CFT regime. Morocco 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 February 2021. In particular, Morocco improved its international cooperation mechanisms and strengthened AML/CFT supervision. The country strengthened transparency of legal persons by ensuring timely access to accurate beneficial ownership information. Morocco strengthened the capacities of its financial intelligence unit, and enhanced capacities to conduct money laundering investigation and confiscate the proceeds of crime and improving effectiveness of the targeted financial sanctions regime. Morocco is therefore no longer subject to the FATF's increased monitoring process.

Nicaragua | In October 2022, the FATF noted Nicaragua's progress in improving the elements of its AML/CFT regime covered by its action plan. Nicaragua addressed technical deficiencies to meet the commitments of its action plan regarding strategic deficiencies that the FATF identified in February 2020. Specifically, Nicaragua updated its national risk assessment on ML/TF and disseminated the outcomes of its ML/TF risk understanding to competent authorities and relevant private sector entities. Nicaragua also put in place mechanisms to ensure that beneficial ownership information of legal persons and arrangements is maintained and obtained in a timely manner. While the FATF removed Nicaragua from its increased monitoring, the Plenary did express strong concern over the potential misapplication of the FATF Standards resulting in the suppression of Nicaragua's non-profit sector. The Plenary urged Nicaragua to continue to work with GAFILAT, of which it is a member, to further improve its AML/CFT regime, including by ensuring that its oversight of non-profit organisations is risk-based and in line with the FATF Standards. Nicaragua is strongly encouraged to continue cooperating with GAFILAT on this issue.

Pakistan | Also in October 2022, the FATF welcomed Pakistan's significant progress in improving its AML/CFT regimes. Pakistan has strengthened the effectiveness of its AML/CFT regime and addressed technical deficiencies to meet the commitments of its action plans regarding strategic deficiencies that the FATF identified in June 2018 and June 2021. Pakistan worked through 34 action plan items in total, completing its second action plan in advance of the deadline. This significant progress was made possible because of Pakistan's continued political commitment to combat terrorist financing and money laundering. In particular, the country demonstrated that terrorist financing investigations and prosecutions target senior leaders and commanders of United Nations' designated terrorist groups. Pakistan also demonstrated that there is a positive upwards trend in the number of money laundering investigations and prosecutions being pursued, in line with the country's risk profile.

⇒ High-Risk Jurisdictions subject to a call for action

In October 2022, the FATF added Myanmar to the list of jurisdictions subject to a call for action. Myanmar was subject to enhanced monitoring since February 2020. The action plan that the country had committed to, expired in 2021. In June 2022, the FATF strongly urged Myanmar to swiftly complete its action plan by October 2022 or the FATF would call on its members and urge all jurisdictions to apply enhanced due diligence to business relations and transactions with Myanmar. Given the continued lack of progress and the majority of its action items still not addressed after a year beyond the action plan deadline, the FATF decided that further action was necessary in line with its procedures and FATF calls on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from

Myanmar. When applying enhanced due diligence measures, countries should ensure that flows of funds for humanitarian assistance, legitimate non-profit activity and remittances are not disrupted.

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. The FATF's call for action on Iran and the Democratic People's Republic of Korea, adopted in February 2020, remains in effect, even if the statement may not necessarily reflect the most recent status of these countries' AML/CFT regimes.



The Global Network

The fight against money laundering and the financing of terrorism and proliferation requires a strong coordinated global response. The work of the Global Network, which consists of the FATF and nine regional bodies as Associate Members and observers, is crucial to success. 206 countries and jurisdictions in the Global Network have committed to implement the FATF Standards.

www.fatf-gafi.org/en/countries/global-network.html



24

draft FSRB mutual evaluation reports reviewed by FATF Secretariat and Global Network

18

reports published during this Plenary year



39

draft FSRB follow-up reports reviewed by FATF Secretariat and Global Network

18

reports with re-ratings published during this Plenary year

Established in different regions around the world, the FSRBs are instrumental in implementing and enforcing the international anti-money laundering/countering the financing of terrorism and proliferation Standards set by the FATF. They are united by a shared commitment to tackle illicit finance, to apply a single set of standards and a universal system of mutual evaluations. Together, the FATF and FSRBs help maintain the integrity of the global financial system, safeguard national and regional security, and uphold the rule of law.

Under the Singapore Presidency, the FATF made it a priority to further reinforce FATF partnerships with FSRBs and to achieve the common objectives of preventing and combating money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. This builds on the Strategic vision for the Global Network,

endorsed by FATF Ministers in April 2022, which aims to leverage the expertise and work of the Global Network more effectively. The first goal of the Strategic Vision is to ensure that FSRBs are fully prepared and equipped to conduct the next round of mutual evaluations.

The FATF continued to work closely with each of the nine FSRBs, including through their individual tailored roadmaps to assist them in completing the current round of mutual evaluations with timely and accurate reports and identify specific areas where support is needed. During this period, FATF members provided 24 assessors and 18 reviewers for FSRB assessments.

In preparation for the next round of mutual evaluations and based on lessons learnt from the current round, the FATF and FSRBs have started working on updating the Universal Procedures which will form the basis for mutual

evaluations and follow-up for the new round in the Global Network. FATF has also provided guidance to FSRBs to plan their new round and identify key decision points, including specifically on resourcing.

To further strengthen the dialogue with the FSRBs, the FATF President organised a High-Level Meeting with FSRB Chairs and Executive Secretaries of the nine FSRBs on the margins of the June 2023 Plenary. They discussed a range of issues that impact global implementation of the FATF Standards, including the preparations for the new round of the mutual evaluations and progress in the implementation of the Strategic Vision for the Global Network. The discussions at this annual meeting will enhance inclusiveness and cohesiveness of the Global Network. FATF and FSRBs will also continue to work on projects to enhance

cooperation and collaboration with a view to incorporate relevant FSRBs' regional perspectives in FATF work; and facilitate a shared understanding of the Standards and of the ME process.

Throughout the year, the FATF Secretariat provided different forms of support to meet the needs of each FSRB. This included training activities, information sharing sessions with FSRB Secretariats and participation in FSRB meetings. The FATF Secretariat also reviewed each draft mutual evaluation and follow-up report produced by the FSRB. This review is crucial, as it ensures the accuracy and consistency of those assessments and strengthens recommended actions. Ultimately, this will help the assessed country better understand the specific deficiencies it must address, and the steps it must take to accomplish this.



Mutual Evaluation and Follow-up Reports

Each FSRB is responsible for assessing its own members' actions to tackle ML, TF and PF to ensure that they are effective in delivering the expected results and meet the technical requirements of the FATF Recommendations.

To ensure a consistent approach, FATF and FSRBs follow strict processes and procedures that apply to all assessment in the Global Network. These common assessment procedures - the Universal Procedures - ensure that every assessment is of a high quality and that the conclusions and ratings are consistent across evaluations.

Following the Plenary discussion and approval of each mutual evaluation, the report undergoes a rigorous quality and consistency review which allows

the Global Network, including FATF and FSRB Secretariats and observers, to raise issues of concern before publication of the report. This review ensures that all reports across the Global Network are of a high quality and are consistent with the FATF Recommendations and Universal Procedures.

This year, the FSRBs completed and published the mutual evaluations of 18 of their members, including 2 jointly assessed with the FATF. The FSRBs also completed 39 follow-up reports to measure the progress their members had made following the adoption of the mutual evaluations, including 18 reports which re-rated countries on one or more Recommendations.

Mutual Evaluation and Follow-up Reports Published on the FATF Website (July 2022-June 2023)

Assessing Body	Date
Mutual Evaluations	
Angola	ESAAMLG
Aruba	CFATF
Bulgaria	MONEYVAL
Republic of the Congo	GABAC
Ecuador	GAFILET
Estonia	MONEYVAL
Eswatini	ESAAMLG
Gambia	GIABA
Grenada	CFATF
Kenya	ESAAMLG
Liechtenstein	MONEYVAL
Monaco	MONEYVAL
Namibia	ESAAMLG
Paraguay	GAFILET
Suriname	CFATF
Togo	GIABA
Uzbekistan	EAG
Venezuela	CFATF

Assessing Body	Date
Follow-up Reports	
Botswana	ESAAMLG
Cambodia	APG
Colombia	GAFILET
Costa Rica	GAFILET
Ethiopia	ESAAMLG
Ghana	GIABA
Lithuania	MONEYVAL
Mauritius	ESAAMLG
Mongolia	APG
Myanmar	APG
Nigeria	GIABA
Pakistan	APG
Philippines	APG
Senegal	GIABA
Tanzania	ESAAMLG
Uganda	ESAAMLG
Zambia	ESAAMLG
Zimbabwe	ESAAMLG

- ➔ Secretariat was involved in **45 events organised by or with FSRBs**, including FSRB and working group and Plenary meetings, training or information sessions.
- ➔ **8 FSRB Plenary, Council or Ministerial meetings** were attended by the FATF President, Vice President or Executive Secretary.
- ➔ During this period FATF members provided **24 assessors** and **18 reviewers** for FSRB assessments
- ➔ To date, **80% of the mutual evaluations** conducted during the current cycle of mutual evaluations have been FSRB mutual evaluations.

Training



The FATF training activities aim to strengthen countries' understanding of the FATF Standards and how they help combat money laundering, terrorist financing and proliferation financing. FATF also delivers training to support FATF countries and FATF-style regional bodies (FSRBs) in the conduct of mutual evaluations. From its e-learning platform to the FATF Training Institute in Busan, Korea, the FATF offers tailored solutions through its worldwide training activities, often in partnership with FATF members, FSRBs and international organisations such as the International Monetary Fund and the World Bank.

www.fatf-gafi.org/en/pages/fatf-training-and-support-activities.html



316

delegates attended
the Standards
Training Course this
year



1847

delegates benefitted
from e-learning courses
this year

The training plan is developed in conjunction with the Global Network and aims to improve the understanding and implementation of the FATF Standards, and ensure successful implementation of assessment processes, including mutual evaluations and FATF's process for high-risk and other monitored jurisdictions (the ICRG process). The FATF Secretariat

plays an important role in supporting the development, co-ordination and completion of training deliverables. This includes the production of e-learning courses and identifying and planning for the training needs of the Global Network in preparation for the next cycle of mutual evaluations.



FATF's Training Institute in Busan

The FATFs Training Institute in Busan, Korea is a dedicated training facility for government officials from around the world. The FATF Training Institute is supported by the Government of Korea, and the Metropolitan city of Busan. During the year, the FATF's Training Institute organised 8 **Standards Training courses** (STCs), targeted at specific

regions. 316 delegates from around the world, attended this course, held in English, Russian, French, Spanish and Arabic, to gain fundamental knowledge about the FATF Standards and their implementation. The STC is designed for AML/CFT practitioners with prior exposure to the FATF Standards and is delivered through a combination



FATF President T. Raja Kumar (centre) with Executive Secretary Violaine Clerc (3rd from left) and Head of the Busan Training Institute Joël Godard (3rd from right) with the staff of the training institute .

of e-learning, presentations, group discussions and small group activities. Since the inaugural STC in April 2021, the FATF's Training Institute delivered 22 STC to 817 participants.

The FATF Training Institute also delivered the second annual **Standards Training Course - Train the Trainer** in November

2022 which is designed for experienced AML/CFT experts from around the Global Network. Since the inaugural STC Train-the-Trainer course in December 2021, 78 participants have completed the course and have significantly expanded FATF's training capacity.



Joint Assessor Training

The mutual evaluations are crucial in determining whether countries are effectively combating money laundering and terrorist financing, in compliance with the FATF Recommendations. Each mutual evaluation relies on qualified, experienced and trained assessors. This Plenary year, the FATF organised two training sessions for future assessors. The assessor training ensures that each assessor has an in-depth understanding of the FATF Recommendations and knows what to look for during a mutual evaluation to correctly assess a country in line with the FATF Methodology.





High-risk and other monitored jurisdictions ('ICRG' process)

In January 2022, the FATF introduced a new course for countries that have entered the FATF's ICRG process. The course explains the procedures and shares best practices so that the country is well equipped to efficiently work through the process and exit it as soon as possible. During the 2022- 2023 Plenary year, the FATF delivered training courses to 5 countries that are under increased monitoring by the FATF.

The FATF also launched a training course for reviewers involved in the ICRG process, a requirement of the FATF Procedures for the 5th Round of mutual evaluations. The course explains the fundamental steps of the ICRG process and the expectations of the reviews that are part of the ICRG Joint Groups.



@cademy

The FATF extended its e-learning programme with two new courses. These courses complement the existing FATF Introductory e-Learning Course, which is available in English, French, Spanish, and Russian, and e-learning courses on counter proliferation financing, virtual assets/virtual asset service providers,

and targeted financial sanctions related to terrorism and terrorist financing.

Additional courses on financial inclusion and beneficial ownership are under development.

New: National money laundering and terrorist financing risk assessment

This course focuses on how countries should identify, assess and understand their money laundering/terrorist financing risks and the importance of the implementation of an effective risk-based approach through national encompassing measures.

New: Risk-based Supervision

This course provides supervisors with a broad understanding and application of an effective risk-based approach to conduct assessments that properly evaluate the money laundering/terrorist financing risks and adjust measures to tackle money laundering and terrorism financing depending on the entities under their supervision.

FATF Secretariat and Financial Statement

At the close of the first Plenary year under the FATF's two-year Singapore Presidency, there are 68 staff members at the FATF Secretariat, including secondees from FATF members. During the year, the FATF onboarded 8 new staff members, while 9 staff members left the FATF Secretariat. In June 2023, the FATF welcomed 5 interns who contributed to FATF's various workstreams and gained valuable experience working in a dynamic international environment.

- ➔ providing support to the FATF to achieve its priorities under the Singapore Presidency
- ➔ co-ordinating mutual evaluation missions and drafting of related assessment reports, including quality and consistency reviews of 44 mutual evaluations and 28 follow-up reports across the Global Network
- ➔ coordinating the preparation and production of risk analysis and policy papers to be discussed in working groups and/or the Plenary.
- ➔ organising 3 Plenaries and 21 working groups meetings, which this year gathered 1972 delegates.
- ➔ providing support to the FATF President to successfully run Plenary meetings and to successfully engage with key stakeholders as the spokesperson of the FATF.
- ➔ coordinating communication around FATF's work, including publication of e reports, organisation of webinars and media engagement
- ➔ providing support to the Global Network, and participation this year in 45 events organised by

The FATF Secretariat brings together 27 nationalities and has achieved gender balance at its management levels with an equal number of male and female managers.

The FATF Secretariat provides support to the FATF delegations and its President, to deliver on the FATF's mandate, including by:

68 staff
including 8 seconded or loaned staff



2/3 of FATF staff is female.
There is full gender balance at management level with equal numbers of male and female managers

27 nationalities



or with FSRBS, including 18 FSRB working group and Plenary meetings as well as training or information sessions.

- ➔ developing outreach and relationships with key partners from international organisations, the private sector and civil society to advance FATF work
- ➔ providing training to FATF countries and FSRBs.

The FATF Secretariat liaises on an ongoing basis with the numerous FATF partners, undertakes a representational role at professional events and provides information to the public and the media.

The budget of the FATF is funded by annual membership fees paid by FATF Members and the two member organisations (the Gulf Co-operation Council and the European

Commission) as well as additional voluntary contributions provided by some Members for specific projects, which represents 38% of the FATF budget. The scale used to calculate the membership fees is based on the OECD's calculation method, which is a formula related to the size of the country's economy.

FATF Budget 2022-2023

(in EUR)

Budget item	FY2022	FY2023
Staff costs (salaries and indemnities)	9 347 045	9 845 075
Travel	1 054 270	1 317 960
Operating costs (including office rental)	960 652	992 641
OECD overhead charges	637 300	979 600
Meeting costs, translation, interpretation	409 836	431 480
IT: investments and maintenance costs	473 689	590 845
Total	12 882 792	14 076 599

FATF Leadership

The FATF President and Vice President are senior officials appointed by the FATF Plenary from among its members for a two-year period. The Vice-President assists the President in carrying out his/her responsibilities and stands in for the President when necessary. The FATF Executive Secretary advises the President and Vice President and leads the FATF Secretariat in Paris.



T. Raja Kumar

President



T. Raja Kumar of Singapore started his two-year term as President of the FATF on 1 July 2022. He has rich leadership and operational experience, having held a wide range of senior leadership roles in the Ministry of Home Affairs in Singapore and the Singapore Police Force for over 35 years.



**Elisa de Anda
Madrazo**

Vice President



Elisa de Anda Madrazo of Mexico assumed her role as Vice-President of the FATF on 1 July 2020. She was re-appointed for a second term as Vice-President of the FATF, from 1 July 2021 to 30 June 2023. She currently serves as Director General in Mexico's Ministry of Finance and Public Credit.



Violaine Clerc

Executive Secretary
FATF Secretariat



Violaine Clerc is the FATF Executive Secretary since 1 June 2022. She is responsible for leading a Secretariat that works to bring together expertise from around the world to fight money laundering and the financing of terrorism and the proliferation of weapons of mass destruction.

www.fatf-gafi.org/en/the-fatf/fatf-presidency.html

FATF Plenary

The FATF Plenary consists of Member jurisdictions and organisations (see Annex I).

The Plenary is the decision-making body of the FATF. Its decisions are taken by consensus.



Heads of delegation attending the FATF Plenary in Paris, June 2023.

Annex I Members and Observer Countries



Members

Argentina	Gulf Co-operation Council	New Zealand
Australia	Hong Kong, China	Norway
Austria	Iceland	Portugal
Belgium	India	Russian Federation*
Brazil	Ireland	Saudi Arabia
Canada	Israel	Singapore
China	Italy	South Africa
Denmark	Japan	Spain
European Commission	Korea	Sweden
Finland	Luxembourg	Switzerland
France	Malaysia	Türkiye
Germany	Mexico	United Kingdom
Greece	Netherlands, Kingdom of	United States

* membership suspended on [24 February 2023](#)



Observer country

Indonesia



Associate Members (FATF Style Regional Bodies)

- Asia/Pacific Group on Money Laundering (APG)
- Caribbean Financial Action Task Force (CFATF)
- Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)
- Eurasian Group (EAG)
- Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)
- Financial Action Task Force of Latin America (GAFILAT)
- Inter Governmental Action Group against Money Laundering in West Africa (GIABA)
- Middle East and North Africa Financial Action Task Force (MENAFATF)
- Task Force on Money Laundering in Central Africa (GABAC)

www.fatf-gafi.org/en/countries/fatf.html

Annex II The Global Network

Country/Jurisdiction	FSRB
Afghanistan	APG
Albania	MONEYVAL
Algeria	MENAFATF
Andorra	MONEYVAL
Angola	ESAAMLG
Anguilla	CFATF
Antigua and Barbuda	CFATF
Argentina	FATF/GAFILAT
Armenia	MONEYVAL
Aruba	CFATF
Australia	FATF-APG
Austria	FATF
Azerbaijan	MONEYVAL
Bahrain	MENAFATF
Bangladesh	APG
Barbados	CFATF
Belarus	EAG
Belgium	FATF
Belize	CFATF
Benin	GIABA
Bermuda	CFATF
Bhutan, Kingdom of	APG
Bolivia	GAFILAT
Bosnia and Herzegovina	MONEYVAL
Botswana	ESAAMLG
Brazil	FATF/GAFILAT
Brunei Darussalam	APG
Bulgaria	MONEYVAL
Burkina Faso	GIABA
Cambodia	APG
Cameroon	GABAC
Canada	FATF-APG
Cape Verde	GIABA
Cayman Islands	CFATF

Country/Jurisdiction	FSRB
Central African Republic	GABAC
Chad	GABAC
Chile	GAFILAT
China, People's Republic of	FATF-APG-EAG
Chinese Taipei	APG
Colombia	GAFILAT
Comoros	GIABA
Cook Islands	APG
Costa Rica	GAFILAT
Côte d'Ivoire	GIABA
Croatia	MONEYVAL
Cuba	GAFILAT
Curacao	CFATF
Cyprus	MONEYVAL
Czech Republic	MONEYVAL
Democratic Republic of Congo	GABAC
Denmark	FATF
Djibouti	MENAFATF
Dominica	CFATF
Dominican Republic	GAFILAT
Ecuador	GAFILAT
Egypt	MENAFATF
El Salvador	CFATF
Equatorial Guinea	GABAC
Estonia	MONEYVAL
Ethiopia	ESAAMLG
Fiji	APG
Finland	FATF
France	FATF-MONEYVAL
Gabon	GABAC
Gambia	GIABA
Georgia	MONEYVAL
Germany	FATF

Country/Jurisdiction	FSRB
Ghana	GIABA
Gibraltar	MONEYVAL
Greece	FATF
Grenada	CFATF
Guatemala	GAFILAT
Guernsey	MONEYVAL
Guinea	GIABA
Guinea-Bissau	GIABA
Guyana	CFATF
Haiti	CFATF
Holy See	MONEYVAL
Honduras	GAFILAT
Hong Kong, China	FATF-APG
Hungary	MONEYVAL
Iceland	FATF
India	FATF-APG-EAG
Indonesia	APG
Iraq	MENAFATF
Ireland	FATF
Isle of Man	MONEYVAL
Israel	MONEYVAL
Italy	FATF-MONEYVAL
Jamaica	CFATF
Japan	FATF-APG
Jersey	MONEYVAL
Jordan	MENAFATF
Kazakhstan	EAG
Kenya	ESAAMLG-
Kingdom of Saudi Arabia	MENAFATF
Korea, Republic of Korea (South Korea)	FATF-APG
Kuwait	MENAFATF
Kyrgyzstan	EAG
Lao People's Democratic Republic	APG
Latvia	MONEYVAL
Lebanon	MENAFATF
Lesotho	ESAAMLG
Liberia	GIABA
Libya	MENAFATF
Liechtenstein	MONEYVAL

Country/Jurisdiction	FSRB
Lithuania	MONEYVAL
Luxembourg	FATF
Macao, China	APG
Madagascar	ESAAMLG
Malawi	ESAAMLG
Malaysia	FATF-APG
Maldives	APG
Mali	GIABA
Malta	MONEYVAL
Marshall Islands, Republic of	APG
Mauritania	MENAFATF
Mauritius	ESAAMLG
Mexico	FATF-GAFILAT
Moldova	MONEYVAL
Monaco	MONEYVAL
Mongolia	APG
Montenegro	MONEYVAL
Montserrat	CFATF
Morocco	MENAFATF
Mozambique	ESAAMLG
Myanmar	APG
Namibia	ESAAMLG
Nauru	APG
Nepal	APG
Netherlands Kingdom of	FATF
New Zealand	FATF-APG
Nicaragua	GAFILAT
Niger	GIABA
Nigeria	GIABA
Niue	APG
Norway	FATF
Oman	MENAFATF
Pakistan	APG
Palau	APG
Palestine	MENAFATF
Panama	GAFILAT
Papua New Guinea	APG
Paraguay	GAFILAT
Peru	GAFILAT
Philippines	APG

Country/Jurisdiction	FSRB
Poland	MONEYVAL
Portugal	FATF
Qatar	MENAFATF
Republic of Congo	GABAC
Romania	MONEYVAL
Russian Federation	FATF-EAG-MONEYVAL
Rwanda	ESAAMLG
Saint Kitts and Nevis	CFATF
Saint Lucia	CFATF
Saint Vincent and the Grenadines	CFATF
Samoa	APG
San Marino	MONEYVAL
Sao Tome and Principe	GIABA
Senegal	GIABA
Serbia	MONEYVAL
Seychelles	ESAAMLG
Sierra Leone	GIABA
Singapore	CATF-APG
Sint Maarten	CFATF
Slovak Republic	MONEYVAL
Slovenia	MONEYVAL
Solomon Islands	APG
Somalia	MENAFATF
South Africa	FATF-ESAAMLG
Spain	FATF
Sri Lanka	APG
Sudan	MENAFATF
Suriname	CFATF
Swaziland	ESAAMLG
Sweden	FATF
Switzerland	FATF
Syrian Arab Republic	MENAFATF
Tajikistan	EAG
Tanzania	ESAAMLG
Thailand	APG
The Bahamas	CFATF
The Former Yugoslav Republic of Macedonia	MONEYVAL
Timor-Leste	APG
Togo	GIABA

Country/Jurisdiction	FSRB
Tonga	APG
Trinidad and Tobago	CFATF
Tunisia	MENAFATF
Türkiye	FATF
Turkmenistan	EAG
Turks and Caicos Islands	CFATF
Uganda	ESAAMLG
Ukraine	MONEYVAL
United Arab Emirates	MENAFATF
United Kingdom	FATF
United States	FATF-APG
Uruguay	GAFILAT
Uzbekistan	EAG
Vanuatu	APG
Venezuela	CFATF
Vietnam	APG
Virgin Islands	CFATF
Yemen	MENAFATF
Zambia	ESAAMLG
Zimbabwe	ESAAMLG

Annex III Observer organisations

African Development Bank
Anti-Money Laundering Liaison Committee of the Franc Zone (CLAB) [French]
Asian Development Bank
Basel Committee on Banking Supervision (BCBS)
Camden Asset Recovery Inter-agency Network (CARIN)
Council of Europe
Egmont Group of Financial Intelligence Units
European Bank for Reconstruction and Development (EBRD)
European Central Bank (ECB)
Eurojust
Europol
Group of International Finance Centre Supervisors (GIFCS)
Inter-American Development Bank (IDB)
International Association of Insurance Supervisors (IAIS)
International Monetary Fund (IMF)
International Organisation of Securities Commissions (IOSCO)
Interpol
Organization of American States / Inter-American Committee Against Terrorism (OAS/CICTE)
Organization of American States / Inter-American Drug Abuse Control Commission (OAS/CICAD)
Organisation for Economic Co-operation and Development (OECD)
Organization for Security and Co-operation in Europe (OSCE)
United Nations
 United Nations Office on Drugs and Crime (UNODC)
 United Nations Counter-Terrorism Committee Executive Directorate (UNCTED)
 The Analytical Support and Sanctions Monitoring Team pursuant to resolutions 1526(2004) and 2253(2015) concerning ISIL (Da'esh), Al-Qaida and the Taliban and associated individuals and entities
 The Expert Group to the Security Council Committee established pursuant to resolution 1540 (2004)
 Panel of Experts to the Security Council Committee established pursuant to resolution 1718 (2006)
 Security Council Subsidiary Organs Branch
World Bank
World Customs Organization (WCO)



FATF



FATF Annual Report 2022-2023

This report summarises the work of the Financial Action Task Force (FATF) from 1 July 2022 to 30 June 2023, under the Presidency of Mr. T. Raja Kumar of Singapore.

www.fatf-gafi.org