

FATF



Annual
Report

2023

2024

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), countering the financing of terrorism (CFT) and countering proliferation financing (CPF) 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
CPF	Countering proliferation financing
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
GPII	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 Co-operation 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

A professional portrait of President T. Raja Kumar, a middle-aged man with dark hair and glasses, wearing a dark suit, white shirt, and red tie. He is smiling slightly and looking directly at the camera against a dark grey background.

Message from President T. Raja Kumar

Progress and Achievements in Financial Crime Prevention

The past year has been marked by the significant strides we have taken in our ongoing fight against financial crime. As President, I am proud to highlight our transformative achievements in asset recovery, beneficial ownership transparency, and the regulation of virtual assets, all aimed at ensuring that crime does not pay.

Strengthening Global Asset Recovery

One of the most significant achievements of the Singapore Presidency has been the substantial shift in the focus on asset recovery globally. This focus aims to ensure that governments prioritise asset recovery, and that illicit proceeds are rapidly frozen, confiscated and recovered. Improvements in this area are essential to remove the profit-incentive from crime and to return money to victims, including the State in cases of tax evasion or corruption.

For the first time since they were developed in 1990, the FATF adopted **changes to its international standards on asset recovery**, which greatly strengthen the asset recovery toolkits that countries should have. This includes enhancing powers to swiftly recover crime proceeds and manage and preserve the value of seized assets, and fostering better international co-operation to suspend suspicious transactions across borders.

In close partnership with INTERPOL, we also brought together operational experts and policymakers in the **FATF-INTERPOL Roundtable Engagement (FIRE)** forum to support real operation application, improve global asset recovery and better combat financial crime.

Photos, from top, left to right:

FATF President T. Raja Kumar at the FATF-INTERPOL Roundtable Engagement in Lyon, September 2023.

Baroness Vere of Norbiton, Parliamentary Secretary of the UK Treasury with FATF President T. Raja Kumar at the Global Fraud Summit in London, March 2024.

IMF's First Deputy Managing Director Gita Gopinath with FATF President T. Raja Kumar at the G7 Finance Ministers and Central Bank Governors Meeting in Italy, May 2024.



Advancing FATF Standards

Many countries have yet to fully implement the FATF's requirements on virtual assets and virtual asset service providers (VASPs) to prevent their misuse for illicit finance. This leaves significant loopholes that criminals and terrorists exploit in the VASP space. For the first time, the FATF published the **list of jurisdictions with materially important VASP activity** and the steps they have taken, to encourage and accelerate global implementation of the FATF's requirements. In addition, the FATF continues to advocate the timely and effective global implementation of FATF's requirements at major international forums, such as the G20 and G7. At my last Plenary in June 2024, the FATF approved for publication its **5th targeted update on jurisdictions' compliance with the FATF Standards on VASPs**.

During my tenure, we have made significant progress in strengthening the FATF standards. A critical milestone was our work on **beneficial ownership transparency of legal arrangements** over this past year, building on earlier work by the German Presidency to strengthen beneficial ownership transparency of legal persons. The lack of beneficial ownership transparency has long facilitated money laundering and other crimes through shell companies, legal arrangements such as trusts, and offshore incorporation centres.

The FATF has improved global transparency standards and supported countries with guidance and training on preventive measures. This has led to numerous countries committing to implement beneficial ownership registries, dramatically improving transparency.

Responding to Risks to the Global Financial System

The FATF also continued its focus on identifying emerging and priority risks in the global financial system. We published a key report on the **cyber-enabled fraud** landscape, in partnership with the Egmont Group and INTERPOL. We also published analysis on **ransomware**, the **art and antiquities trade**, **fentanyl trafficking**, and – in collaboration with the OECD – on corruption through the **misuse of citizenship and residency by investment schemes**.

These reports are crucial to raise awareness and drive action to tackle and mitigate these contemporary risks.

Strengthening Partnerships with FATF-Style Regional Bodies (FSRBs) and Strategic Partners

The FATF’s partnership with FSRBs is crucial to effectively fight money laundering, terrorist financing and proliferation financing at the global level. During my tenure, the FATF prioritised activities to deepen the relationship with FSRBs. This includes:

- ➔ providing **increased support to FSRBs for their mutual evaluations** in the upcoming round,
- ➔ **institutionalising the annual FATF-FSRB High Level Meeting** for the FATF and FSRB leadership, and
- ➔ permanently including a **guest FSRB Executive Secretary on the FATF Steering Group**.

We have also increased support for the Global Network by making the FATF **more inclusive** and **providing training and support to regional partners**. This aims to bolster the global Anti-Money Laundering, Counter-Terrorist Financing and Counter Proliferation Financing (AML/CFT/CPF) framework and effectiveness.

Throughout the year, the FATF worked closely with key strategic partners, such as IMF, World Bank, UNODC, OECD, INTERPOL and the Egmont Group to mutually reinforce efforts to tackle illicit financial flows. This year, the Heads of UNODC and INTERPOL joined me in making an unprecedented joint **call for urgent action to fight money laundering and terrorist financing**.

Photos, from top, left to right:

Saitoti Maika, Director General of the Financial Reporting Centre of Kenya, FATF President T. Raja Kumar and ESAAMLG Executive Secretary Fikile P. Zitha at the FATF Plenary in Singapore, June 2024.

Annual FATF-FSRB High-Level meeting in Singapore, June 2024.

FATF President T. Raja Kumar, UNODC Executive Director Ghada Waly and INTERPOL Secretary General Jürgen Stock at a high-level Side Event in Vienna, May 2024.





Next Round of Mutual Evaluations

We also drove preparation for the next round of mutual evaluations. The preparations for the first tranche of mutual evaluations in the next round are well underway. These assessments will be more timely, but also more risk-based, and with a greater focus on effectiveness. This year, the FATF updated the **Assessment Procedures** and **Methodology** and ramped up its **training** for jurisdictions and assessors, to help them prepare for this upcoming round. In a major milestone, the FATF also agreed on more **risk-based criteria for identifying countries with strategic weaknesses** in the next round. These criteria will be transparent, fair and cognisant of the capacity challenges that the least developed countries face.



Enhancing Institutional Support

Importantly, we secured Ministerial commitment to enhance the sustainability of FATF's funding, ensuring a stable foundation to deliver on our strategic priorities and recognising the unique role that the FATF plays in preventing and combatting money laundering, terrorist financing and proliferation financing and supporting global security and stability. Whilst not front-page news, this initiative places FATF on a far stronger financial footing, allowing its professional staff to have job security and enabling the organisation as a whole to better plan for the future and focus on achieving its mission.



Photos, from top, left to right:

FATF President T. Raja Kumar with Elżbieta Franków-Jaśkiewicz, Chair of the Egmont Group at the FATF Plenary in Singapore, June 2024.

Mr Lawrence Wong, Prime Minister and Minister for Finance of Singapore with FATF President T. Raja Kumar at the FATF Plenary in Singapore, June 2024.

FATF President T. Raja Kumar, Ms. Indranee Rajah, Minister in the Prime Minister's Office, Second Minister for Finance and National Development of Singapore and FATF Executive Secretary Violaine Clerc at the FATF Ministerial Meeting in Washington D.C., April 2024.

Promoting Gender Inclusivity

I am particularly proud of the **Women in FATF and Global Network** initiative, which aims to inspire the next generation of women leaders. The launch of the e-book at the Singapore Plenary, titled **“Breaking Barriers: Inspiring the Next Generation of Women Leaders”**, highlights this commitment.

We are setting a good example with strong female leadership, including Violaine Clerc as Executive Secretary and Elisa de Anda Madrazo, my successor as the FATF President from July 2024 to June 2026.



Membership expansion

This year, the FATF also welcomed **Indonesia** as a full member. Following Indonesia’s accession to membership, the FATF now counts 40 members, including all G20 countries.



Photos, from top, left to right:

FATF President T. Raja Kumar, Ms. Indraneel Rajah, Minister in the Prime Minister’s Office, Second Minister for Finance and National Development of Singapore at the launch of the e-book *“Breaking Barriers: Inspiring the Next Generation of Women Leaders”* in Singapore, June 2024.

Incoming President Elisa de Anda Madrazo, FATF President T. Raja Kumar and FATF Executive Secretary Violaine Clerc during the FATF Plenary in Singapore, June 2024.

FATF President T. Raja Kumar with Indonesia’s Head of Delegation Pak Ivan Yustiawananda on the country’s accession to the FATF at the FATF Plenary in Paris October 2023.





Conclusion

In conclusion, our work on asset recovery, beneficial ownership transparency, and virtual assets over the past year has been mutually reinforcing. By providing law enforcement and national authorities with more tools, we can lift the veil on criminals' ownership of money and assets, more effectively freeze and confiscate these assets, ensuring crime does not pay. Recovered assets can be returned to victims or be reinvested in public goods. As we move forward, the FATF's strengthened institutional framework and inclusive approach will continue to drive our mission to combat financial crime, thereby supporting economic growth and development globally.

Through our collective efforts, we are making significant strides in ensuring a safer, more transparent, higher integrity and more stable financial system for all.

T. Raja Kumar
FATF President

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



Photos, from top, left to right:

FATF Vice-President Jeremy Weil, FATF Executive Secretary Violaine Clerc and FATF President T. Raja Kumar at the FATF Plenary in Paris, October 2023.

Former FATF President Dr Marcus Pleyer, incoming President Ms. Elisa de Anda Madrazo and President T. Raja Kumar at the FATF Plenary in Paris, October 2023.

FATF President T. Raja Kumar with Mr Niklas Wykman, Deputy Minister for Finance, Minister for Financial Markets of Sweden during a press conference following a briefing for Nordic countries, March 2024.

Photo page right:

FATF Heads of delegation at the FATF Plenary in Singapore, June 2024.



About the FATF

Fighting global money laundering since 1989

FATF: 35 years of success

The FATF was first established by the G7 to stop drug traffickers and cartels from laundering money through the financial system. FATF has grown from 16 to 40 members today.

Expanded mandate

As a result of its success in tackling money laundering, FATF's mandate has expanded to include counter terrorist financing and the proliferation financing of weapons of mass destruction.

40 recommendations

The 40 Recommendations are the global standards to fight money laundering, terrorist financing and financing of proliferation of weapons of mass destruction (AML/CTF/CPF).

Geographic reach of FATF and its Global Network

A global problem requires a global response

Through its co-operation with nine FSRBs, FATF extends its reach to over 200 countries and jurisdictions.

40 FATF Members

90% of global GDP

9 FATF-Style Regional Bodies covering over 200 countries and jurisdictions committed to implement the FATF Standards



A global response requires strong co-operation with FSRBs.

Each FSRB plays a critical role in identifying and monitoring risks in the region.

FSRBs contribute to the development of FATF's global standards and drive effective implementation in their region.

FATF's co-operation with key international organisations and stakeholders

Combatting global financial crime together

The FATF's work intersects with many international bodies, such as the IMF and World Bank, who use the FATF Methodology to assess their respective members' AML/CFT/CPF measures.

25 observer organizations, which include the Egmont Group of Financial Intelligence Units, OECD, INTERPOL and the United Nations, are actively involved in FATF's work to detect, prevent, and punish financial crime.

The FATF and its members continuously engage with the private sector and civil society to strengthen partnerships in combatting money laundering and terrorist financing.

FATF's achievements 2022-2024

FATF's global system of peer reviews hold countries to account on how their AML/CTF/CPF systems are working in practice.



Rigorous follow-up processes to collectively strengthen the global system and close loopholes

Since 2022, over 60 countries (including over 40 non-FATF Members) made concrete improvements in their AML/CFT/CPF systems as part of the robust follow-up process after an evaluation. As a result of FATF's process to identify jurisdictions with strategic deficiencies, 13 countries have successfully addressed fundamental deficiencies in their systems.

Strengthening the standards

7 of the 40 FATF Recommendations revised. Major updates focused on enhancing beneficial ownership transparency and the recovery of criminal proceeds. These reforms will allow:

- Faster access by law enforcement to the real beneficial owners
- Better international co-operation to stop dirty money being hidden offshore
- Recovery of tax income and funds stolen through corruption
- Reinvesting in communities and refunding victims

Increasing support to countries by

Monitoring global risks:

- Reports on cyber-enabled fraud, the misuse of virtual assets and the abuse of crowdfunding platforms for terrorism financing.

Supporting Standards implementation:

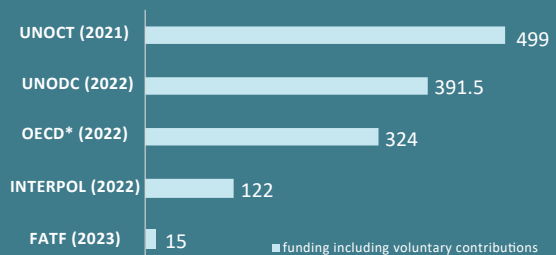
- Guidance on enhancing beneficial ownership transparency and the real estate sector
- Training of over 3000 officials


Value for money

Budget 15M euros

Increasing the sustainability of the FATF budget will allow for longer term planning and recruitment, ensuring the FATF is sufficiently resourced for its heavy workload and provide certainty for the Secretariat's support of mutual evaluations.

Annual budgets: a comparison (USD million)





Addressing Contemporary Challenges

The FATF Standards

Over 200 countries and jurisdictions 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.

The FATF Standards can only remain effective if they continue to evolve to address new and emerging risks and technology and other developments in the financial system, and address the need for further clarification highlighted by assessments. This is why the FATF continuously reviews and enhances its Standards, which ensures that the FATF Standards remain a powerful and effective toolbox in the fight against illicit finance.

In 2023-24, the FATF has:

- Undertaken two Public Consultations and one targeted consultation to consider a wide range of views in making sure the Standards remain relevant and pragmatic.
- Updated five of the FATF Recommendations and published two Guidance Papers to ensure practitioners have a strong toolkit to more effectively combat financial crime.

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, which include events of the virtual asset contact group, demonstrate the FATF's leading role in setting global standards to tackle money laundering, terrorist financing and proliferation financing. These engagements also inform FATF's ongoing work in refining and strengthening the Standards.

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

This year's Private Sector Consultative Forum (PSCF) organised in collaboration with the UNODC brought together more than 250 representatives from the financial sector, non-financial businesses and professions, civil society, academia, FATF members and other stakeholders to discuss key AML/CFT/CPF challenges facing the world and benefit from different perspectives. It demonstrates the importance of FATF's ongoing engagement with the private sector and civil society to discuss the latest developments in the financial crime landscape and to strengthen partnerships in tackling them. As President Raja quipped at the closing segment of the forum, there has been more than consultation – there was active co-creation and the forum ought to be renamed the Private Sector Collaborative Forum.

Ongoing work

This year, the FATF initiated major work to reflect the rapid developments of cross-border payment systems, and changes to industry standards (in particular ISO 20022) (Recommendation 16). The FATF is also working on potential revisions to the requirements on risk assessment and the application of a risk-based approach, the cornerstone of the FATF Standards (Recommendation 1). This work is ongoing and will be carried forward under the next Presidency of the FATF.





FATF is not working in isolation.

Far from it.

We work extensively with external stakeholders and other international organisations, such as the UN, the IMF, World Bank, OECD, INTERPOL, the Egmont Group and others to ensure that the FATF's important mandate also aligns with broader global policy goals on safety and security, development, economic stability and the integrity of the global financial system.

T. Raja Kumar

FATF President 2022-2024

FATF President T. Raja Kumar addressing the
Private Sector Consultative Forum



Photo left page, left to right:

Melissa Tulis, UNODC; John Brandolino, Director Division Treaty Affairs, UNODC; FATF President T. Raja Kumar and FATF Executive Secretary Violaine Clerc at the Private sector Consultative Forum in Vienna, April 2024.

Strengthening Asset Recovery

In partnership with INTERPOL, the FATF worked with national authorities to ensure that asset recovery is a key pillar of countries' approach, particularly for law enforcement, to tackling money laundering and terrorist financing (see also International Co-operation).

The FATF held its second FATF-INTERPOL Roundtable (FIRE) that focused on the strategic and operational changes necessary to ignite global change to take the profit out of crime. It highlighted potential areas of future work, including enhanced international co-operation and effective asset management.

In October 2023, the FATF strengthened its Standards to provide law enforcement, financial intelligence units, prosecutors, other asset recovery practitioners and competent authorities with a more robust toolkit to target and confiscate criminal assets.

At the June 2024 Plenary, the FATF agreed on how the next round of mutual evaluations will assess whether countries have the right laws and processes in place to cooperate and to deprive criminals of the proceeds of crime and, importantly, to assess what asset recovery outcomes countries are achieving in practice.

Participants at the June 2024 FATF Plenary in Singapore



Going forward, each country will need to demonstrate that:

- Asset recovery is prioritised, adequately resourced and systems are periodically reviewed to ensure ongoing effectiveness;
- Competent authorities are identifying and tracing criminal assets, including property;
- Provisional measures are actively and successfully sought expeditiously;
- Frozen or seized property is managed well;
- Confiscation orders are obtained, based on criminal or non-conviction based measures, and successfully enforced to ensure permanent deprivation of the proceeds of crime;
- Victims are compensated or have property returned to them;
- Declaration or disclosure systems are leading to the identification and confiscation of falsely or non-declared cash or bearer negotiable instruments, as well as cash or instruments related to money laundering, terrorist financing or predicate offences.
- They seek and provide constructive and timely international co-operation on asset recovery, both formal and informal.

The FATF expects all countries to take concrete steps to implement the revised Standards and effectiveness methodology promptly.

Amendments to the FATF Standards on Asset Recovery

The FATF revised Recommendations 4, 30, 31, 38; the interpretive notes to Recommendations 4, 30, 38 and 40; and the Glossary to require countries to have policies and operational frameworks that prioritise asset recovery and establish non-conviction-based confiscation regimes in their legal systems.

The revisions also provide new features, such as the power to suspend transactions related to money laundering, terrorist financing and serious crime.

→ www.fatf-gafi.org/en/publications/fatfrecommendations/Fatf-recommendations.html

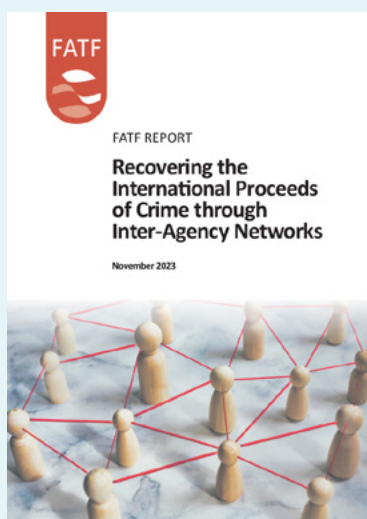
Recovering International Proceeds of Crime through Inter-Agency Networks

In November 2023, the FATF also completed a report that analyses how Asset Recovery Inter-Agency Networks (ARINs) aid in tracking illicit funds and facilitating informal assistance in asset recovery processes. It finds that while they enhance trust among law enforcement and collaborate with international organisations, they face coordination challenges. ARINs operate independently, strengthening international ties. However, while ARINs coverage expands, regional gaps persist.

Resource constraints and varying staffing levels also affect their effectiveness and their relationship with FSRBs varies.

The report advocates for better understanding, enhanced monitoring, and collaboration so that ARINs can fulfill their potential of helping countries “follow the money” and take the profit out of crime.

www.fatf-gafi.org/en/topics/asset-recovery.html



Download the full report at:

→ www.fatf-gafi.org/en/publications/Methodsandtrends/recovering-international-proceeds-crime-inter-agency-networks.html



Criminals are making billions in illicit profits every year, with only a fraction seized and recovered.

However, with the right information, the right networks to channel it, and the will to act, justice will be served; and proceeds will be recovered. Since 2022, which saw the creation of the INTERPOL Financial Crime and Anti-Corruption Centre (IFCACC) and the start of Raja Kumar's term as FATF President, the co-operation between our two organisations in addressing this criminal activity has grown from strength to strength. One initiative which best encapsulates our relationship is the FATF-INTERPOL Roundtable Engagement (FIRE). A result of our common goal to strengthen asset recovery globally, the two FIRE events have provided a platform for much-needed dialogue. Gathering the relevant stakeholders from the Anti-Money Laundering ecosystem- law enforcement, financial intelligence units, academia, asset recovery officers, prosecutors, policy makers, international/regional organizations, and private sector industry leaders – the FIRE events bridge strategy and policy with operational work. Aligning and leveraging our respective mandates is essential in detecting and disrupting criminal asset flows.

An example of this is the INTERPOL Global Rapid Intervention of Payments mechanism, or I-GRIP, which enables member countries to submit and handle time-critical requests to follow, intercept or provisionally freeze illegal proceeds of crime abroad. Since the launch of I-GRIP in 2022, INTERPOL has helped member countries intercept more than USD 500 million in criminal proceeds stemming largely from cyber-enabled fraud.

This initiative, combined with the revised FATF Recommendations for a more robust toolkit to target and confiscate criminal assets, are two major steps forward in a more effective response to not only follow the money, but to take it out of criminal hands.

Global challenges require global partnerships to achieve successful outcomes.

I am confident that INTERPOL and FATF's joint efforts will encourage greater activity from our member countries in stemming the flow of illicit revenue streams and ensuring the money is where it belongs: supporting the licit economy and society at large.

Jürgen Stock

INTERPOL Secretary General

INTERPOL Secretary General Jürgen
Stock and FATF President T. Raja Kumar



FATF-INTERPOL Roundtable (FIRE) - 19-20 September



Strengthening Beneficial Ownership and Transparency

In March 2024, the FATF published its updated guidance on Recommendation 25 on Beneficial Ownership and Transparency of Legal Arrangements. The guidance followed the significant amendments to Recommendation 25 in February 2023. The guidance aims to help public and private sector stakeholders implement the new requirements effectively. It offers practical advice on understanding and assessing money laundering and terrorist financing risks associated with trusts and similar legal arrangements. Emphasising the importance of international co-operation, it outlines mechanisms to obtain accurate and up-to-date beneficial ownership information by national competent authorities. The guidance, informed by consultations and engagement with

stakeholders, strengthens global transparency efforts.

During the upcoming round of mutual evaluations, the FATF will assess how well countries have implemented the new beneficial ownership and transparency requirements. In October 2023, the FATF agreed on how it will assess the effective implementation of these updated requirements. These assessments will play a crucial role in ensuring that countries are taking effective action to close the loopholes and regulatory weaknesses that allow shell companies or other legal persons and arrangements to be used as a cover for crime-related activities.

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



Download the guidance at:

→ www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Transparency-Legal-Arrangements.html

Preventing the misuse of Non-Profit Organisations for terrorist financing without impacting legitimate activities

The FATF Standards are drafted in line with international principles on human rights. When the FATF standards are exploited and used to oppress non-profit organisations (NPOs) under the pretext of counter-terrorism, it is an abuse of the FATF Standards. This is why the FATF proactively carried out a comprehensive project to address the misapplication of the FATF Standards.

At the end of 2023, as a result of this work, FATF revised the FATF Standards to further protect legitimate NPOs and at the same time, published the updated Best Practices for NPOs. The best practices paper reflects the amendments to Recommendation 8, to help countries, the non-profit sector and financial institutions understand how best to protect relevant NPOs from abuse for terrorist financing, without unduly disrupting or discouraging legitimate NPO activities.

The FATF best practices paper also includes examples of bad practices and specifically explains how not to implement the FATF's requirements.

With the revision to Recommendation 8, and the updated best practices paper, the FATF has clarified how to implement measures that are proportionate to the assessed risks of terrorism

Amendments to the FATF Standard on Non-Profit Organisations

The revision to Recommendation 8 aims to ensure that measures to protect and safeguard the NPO sector from money laundering and terrorist financing are targeted and proportionate and that governments do not suppress civil society through over-application of the FATF standards.

→ www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html

financing and prevent the implementation of measures that are overly burdensome or restrictive for the sector.

The FATF also focused on how to assess the effective implementation of these revised requirements.

In February 2024, the FATF agreed on changes to its assessment methodology for the next round of mutual evaluations. They clarify the existing obligations to apply risk-based measures to protect NPOs that are most vulnerable to potential terrorist financing abuse and prevent the unintended consequences of the incorrect application of the FATF's requirements.

Extensive input from the FATF Global Network of FATF Members and FSRBs and formal and informal consultations with NPOs and financial institutions played an important role in FATF's

work to revise the Standard and Best Practice paper on combatting the terrorist financing abuse of NPOs.

The paper contains numerous examples of implementation and misapplication of R.8 that should be useful for these stakeholders to correctly implement Recommendation 8. Input from stakeholders can also inform future assessments. The FATF also clarified the channels for NPOs to provide their input in a country's mutual evaluation process, including through meetings with the assessment team. This ensures that each assessment identifies and considers cases of misapplication of the FATF Standards.

FATF will continue to closely monitor this issue and take systemic action to address the misuse of the FATF Standards.

www.fatf-gafi.org/en/topics/financial-inclusion.html



Download the best practices paper at:

→ www.fatf-gafi.org/en/publications/Financialinclusionandnpoissues/Bpp-combating-abuse-npo.html

FATF Private Sector Consultative Forum, April 2024



Implementation of the FATF Standards on Virtual Assets

The FATF continued producing its annual targeted update on the implementation of the FATF Standards on virtual assets. In June 2024, the FATF Plenary agreed to publish the fifth annual targeted update.

Six years after the FATF strengthened its Standards to prevent the misuse of virtual assets and virtual asset service providers (VASP) for illicit finance, many countries still have not regulated this activity and that leaves significant weaknesses that criminals and terrorists are quick to exploit.

The report highlights that there has been some progress since the last update in June 2023 but that three quarters of jurisdictions (75%; 97 of 130) are only partially or not compliant with the FATF Standards in this area.

This year, the FATF also published a table that summarises the steps taken by FATF members and other jurisdictions with the most materially important VASP activity. This table is not an assessment of a jurisdiction's implementation of measures to combat illicit finance and it is not related to the FATF's identification of high-risk and other monitored jurisdictions. Rather, the table reports on the steps taken, and aims to encourage other jurisdictions to fully implement the FATF requirements in a timely manner and consider the risks of virtual asset transfers with jurisdictions that have not taken steps towards regulating or banning VASPs. The publication of this table follows a 12-month process involving the FATF's Virtual Asset Contact Group, the Global Network as well as private sector, including leading blockchain analytics companies.

www.fatf-gafi.org/en/topics/virtual-assets.html



Consult the table at

→ www.fatf-gafi.org/en/publications/Virtualassets/VACG-Snapshot-Jurisdictions.html



Strengthening 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 9 FSRBs as Associate Members, and of observers, is crucial to success. Over 200 countries and jurisdictions in the Global Network have committed to implement the FATF Standards.

- The FATF Global Network consists of 9 FSRBs and the FATF, covering over 200 jurisdictions who are committed to implementing the FATF Standards
- The regional bodies (called FSRBs) are associate members of the FATF. All members of FSRBs can attend FATF meetings and be involved in FATF work, including on policy setting.
- The International Co-operation Review Group process is a joint FATF-FSRB initiative, with members of the Global Network acting as lead reviewers and holding leadership positions in joint groups which assess the progress of countries in the grey list.
- The FATF Working Group on the Global Network is co-chaired by an Executive Secretary of a regional body.
- The FATF Training Project Team is co-led by a country from a regional body.



Nearly **50 draft FSRB Follow-up reports were reviewed** by the Secretariat and the Global Network, of which around 30- including technical compliance re-ratings- were published during the year.

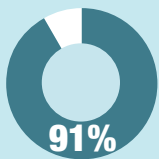
Almost **15 draft FSRB mutual evaluation reports were reviewed** by the Secretariat and the Global Network, of which close to 10 were published during the period July 2023 – June 2024.

The Secretariat was involved in nearly **20 FSRB and Working Group and Plenary meetings**.

The FATF President, Vice President or Executive Secretary attended **five FSRB Plenary, Council or Ministerial meetings**.



To date, nearly **80% of the mutual evaluations** conducted during the current cycle of mutual evaluations have been **FSRB mutual evaluations**.



As of June 2024, **91% of Global Network mutual evaluation reports have been adopted** in the current round, with 20 FATF and FSRB MEs still to be adopted.

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. We 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 and safeguard national, regional and global security.

FSRBs actively contribute to the FATF work, including through participation in projects on risk analysis and revision of the FATF Standards. This year, the FATF also created a permanent FSRB seat in the FATF Steering Group (see also FATF LEADERSHIP). FSRBs involvement in FATF work at leadership level ensures a truly inclusive and global perspective and will strengthen and support more effective implementation of the FATF Standards across the Global Network.

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 assessors and reviewers for FSRB assessments.

In preparation for the next round of mutual evaluations and based on lessons learnt from the current round, the FATF, in co-operation with FSRBs, has updated the Universal Procedures which will form the basis for mutual evaluations and follow-up for the new round in the Global Network. The FATF has also provided guidance to FSRBs to plan for their new round and identify key decision points, including specifically on resourcing.

Strengthening the Global Network and the partnership between FATF and FSRBs

Reinforcing and strengthening the Global Network is a long-term priority for the FATF, clearly articulated in the Singapore FATF Presidency's priorities, and endorsed by FATF Ministers in April 2024 as one of the strategic priorities of the FATF. In 2024, the FATF has institutionalised the annual FATF-FSRB high-level meeting and the FSRBs' participation in the FATF Steering Group. The FATF has also made progress on a number of projects that seek to give more prominence and better take into account FSRBs' specific needs when it comes to changing Standards or conducting mutual evaluations. In that respect, FSRB members have also been proactively encouraged to play active roles in leading and participating in major FATF project teams, and by providing input to key FATF workstreams, for example on training and on the ongoing work to revise Recommendation 1 and promote financial inclusion. Bilateral engagement and consultations with FSRB representatives have also been stepped up to ensure that FSRBs are provided with the required support.

A key milestone in the closer partnership between FATF and FSRBs was the agreement on Global Network priorities for the coming year. In June 2024, at the annual FATF-FSRB high-level meeting, the FATF President and FSRB Chairs discussed progress made in the implementation of the 2022 Strategic Vision for the Global Network, and agreed on three Global Network priorities for the coming year –

- ➔ increase FSRBs' voice and participation in FATF work;
- ➔ prepare for the new round of mutual evaluations; and
- ➔ strengthen AML/CFT/CPF expertise at regional level.

These common focus areas are sufficiently broad to enable FSRBs' regional priorities to be integrated, and they will drive the work of the Global Network in the coming year as well as the interactions between FATF and FSRBs, and amongst FSRBs.

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



The Global Network priorities will help FATF and FSRBs, including CFATF, to focus efforts on areas that will help make a difference in our shared objectives of tackling money laundering, terrorist financing and proliferation financing.

Angelo **Brete**, CFATF Chair



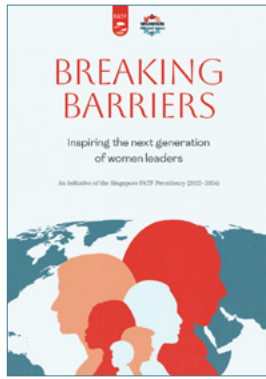
FATF President T. Raja Kumar addressing the Global Network Co-operation Group, June 2024, Singapore



Diversity in the FATF and the Global Network

The launch of the e-book *Breaking Barriers: Inspiring the Next Generation of Women Leaders* in June 2024 was a key highlight of the *Women in FATF and the Global Network* initiative. The initiative, launched during the Singapore Presidency of the FATF, highlights FATF's efforts to advance diversity and inclusion within the FATF and the wider Global Network. The launch event in the margins of the June Plenary also celebrated the cultural diversity that exists within the Global Network, bringing together over 200 countries and jurisdictions from around the globe.





Find the report and insightful accounts from prominent leaders in the FATF and its Global Network, highlighting their experiences and the challenges they face at :

➔ www.fatf-gafi.org/en/pages/Women-in-FATF-and-the-Global-Network.html



Training

Training is a key element that connects the FATF Standards, procedures and assessment methodology with the experts that will have to apply them.

The FATF provides a variety of training and support activities, including training related to the FATF Standards and Methodology, training on the processes of the FATF Global Network (such as mutual evaluation or ICRG-related processes), and training for assessors to appropriately conduct FATF assessments.

Training is a high-priority area for the FATF, particularly as the Global Network initiates the next round of mutual evaluations. An annual training plan was developed to meet these FATF Global Network training needs, with two broad objectives:

- to support the application of the FATF Standards; and
- to support assessment and follow-up processes.

Feedback from delegates across the Global Network after completion of FATF Training modules

“ My country is currently undertaking the National Risk Assessment. The E-Learning module has enabled me to understand better the components of the NRA.

“ A better understanding of the recommendations and the expected Immediate outcomes helped in identifying deficiencies in our laws and regulations and addressing them as per the FATF standards.

“ As supervisor for the DNFBP sector, I was able to assist the private sector in implementing their obligations in alignment with the laws and FATF requirements.

“ It has equipped me to draft AML/CFT policy for reporting entities and also deliver tailored AML/CFT training for reporting entities.

Supporting application of the FATF Standards

The FATF Training Institute in Busan is fully funded by the Government of Korea and the Metropolitan City of Busan. The Training Institute delivers **Standards Training Courses (STCs)** to enhance participants' understanding of the FATF Standards on AML/CFT/CPF and the implementation of effective measures to combat ML/TF/PF. The STCs are continually updated to reflect the revised FATF Standards and Methodology.

Since the inaugural course in April 2021, the Training Institute has delivered 29 STCs. This includes 5 STCs in 2024 focusing on the updated Standards and Methodology, which trained 181 experts from the Global Network.

The **FATF @cademy** is the FATF's e-learning platform available to all government officials from the Global Network and it covers the full range of the FATF Standards. As at June 2024, participants have completed almost 4 000 of these courses. This includes over 500 participants who have completed the updated Introduction to the FATF Global Standards, Methodology and Procedures course in 2024.



4 000 @cademy courses completed as at June 2024



Supporting assessment and follow-up processes

The **Joint Assessor Training (JAT) programme** trains country experts to participate as assessors in the new round of mutual evaluations.

Expertise in mutual evaluations covers the 3 broad categories that cover the interdisciplinary nature of the FATF Standards – financial, legal and law enforcement.

The JAT programme is on track to meeting the Global Network’s needs for the new round. The FATF has already led six JATs for the new round. So far, 209 experts from the Global Network have been trained and qualified, including 126 from FATF, 68 from FSRB members and 15 from the IMF and World Bank.

ICRG Reviewer Training aims to develop specific expertise that is needed and to support the International Co-operation Review Group (ICRG) in the current round and prepare reviewers for the next round. 3 ICRG Reviewer Training runs have been held so far. 96 experts from the Global Network have qualified from the training, including 55 participants from FATF jurisdictions and 41 participants from FSRB members and Secretariats.

ICRG Country Training supports countries entering the ICRG process. This training increases their understanding and expectations of the process, as well as their preparation for ICRG review. Since the start of the ICRG Country Training programme in January 2022, 18 jurisdictions have benefitted from this training, including 5 in 2024.



209 future assessor trained through the Joint Assessor Training Programme

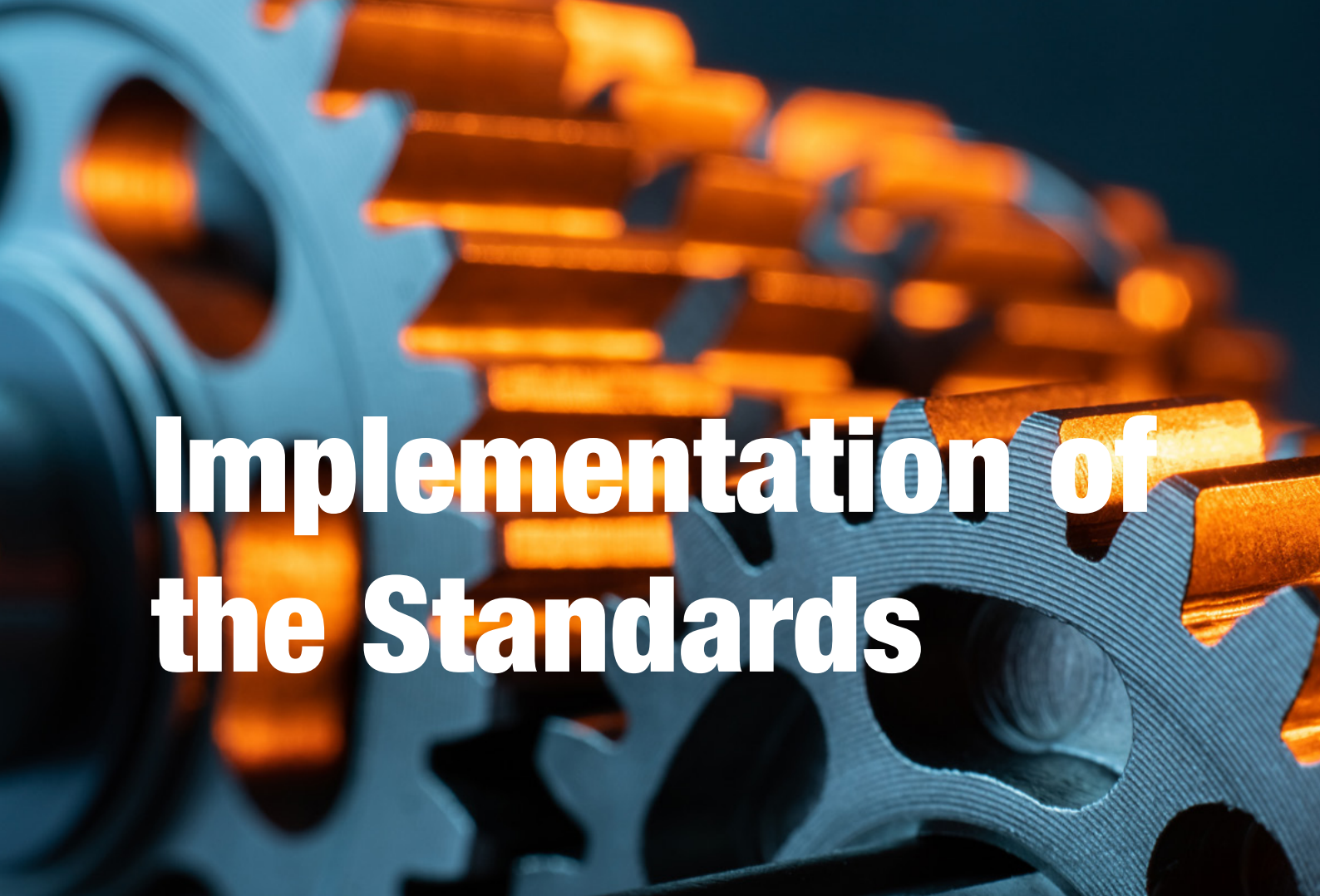


57% of trained ICRG Reviewers from **FSRB members or Secretariats**

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

Left page, a selection of training sessions throughout the year, from the top, left to right, Abu Dhabi, UAE; Training Institute in Busan, Korea; Helsinki Finland; Trinidad and Tobago, Training Institute in Busan, Korea and Cape Town, South Africa.





Implementation of the Standards

Strengthening the Global Network and the partnership between FATF and FSRBs

The FATF is nearing completion of its fourth round of mutual evaluations. More recently, it discussed and approved the FATF-GAFILAT assessments of Brazil, the FATF-APG-EAG assessment of India and the FATF-MENAFATF assessment of Kuwait. The FATF also published the mutual evaluation report of Luxembourg following its successful quality and consistency review after the June 2023 Plenary. The joint FATF-GAFILAT evaluation of Argentina, underway during this year, will be the last in the FATF's fourth round.

Following their mutual evaluations, countries continue to strengthen their AML/CFT/CPF

framework. While the next round of mutual evaluations will rightly place a greater focus on effectiveness, technical compliance remains important. It means that countries have the necessary rules, regulations and operational infrastructure that are the building blocks for an effective system to tackle illicit financial flows. This year, the FATF published the follow up reports for 8 of its members. In total, the FATF gave 40 upgrades to reflect countries' actions to strengthen their AML/CFT/CPF framework. But the FATF also reported 2 downgrades when countries had not successfully implemented criteria that were revised since their assessment.

FSRB Mutual Evaluation and Follow-up Reports

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

To ensure a consistent approach, the FATF and FSRBs follow strict processes and procedures that apply to all assessment in the Global Network. These Universal Procedures ensure that every assessment is of high quality and that the conclusions and ratings are consistent across evaluations. In addition, the FATF has set up a Global Network platform bringing together all FATF assessment bodies – FATF, FSRBs, IMF and World Bank- to ensure a common interpretation of the FATF Standards, Methodology and ME process.

Following the Plenary discussion and approval of each mutual evaluation, the report undergoes

a rigorous quality and consistency (Q&C) review which allows the Global Network, including the 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 adopted the mutual evaluations of more than 20 of their members, including 3 jointly assessed with the FATF (see above). The FSRBs also adopted around 90 follow-up reports to measure the progress their members had made following the adoption of the mutual evaluations, including more than 50 reports which sought to re-rate countries for technical compliance on one or more Recommendations.

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



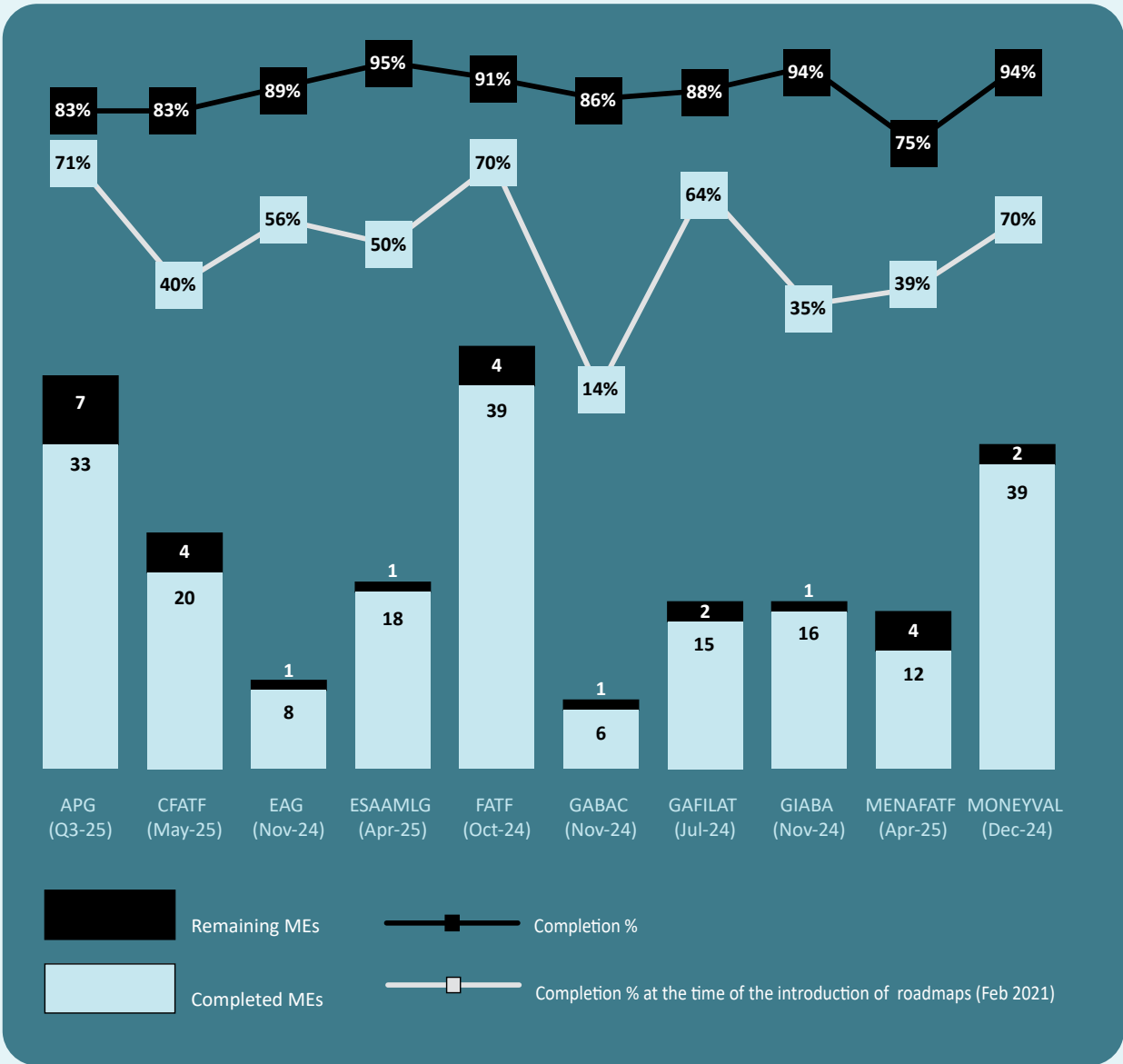
FATF support to FSRBs' mutual evaluation work is critical to collectively address the challenges met by FSRB jurisdictions in combatting money laundering, terrorist financing and proliferation financing and improve their AML/CFT regimes, in a coordinated and consistent way.

Giles Thomson, GNCG Co-Chair (United Kingdom)



Status of completion in the Global Network of the round of mutual evaluations against the 2013 Assessment Methodology

As of June 2024, 22 mutual evaluations remain to be adopted (FATF and FSRBs), which should be completed by July 2025.



High-Risk and Other Monitored Jurisdictions

Criminals exploit countries with weak regulatory and operational measures to launder money and finance their illicit activities, including terrorist and proliferation financing. This has a negative impact on the overall safety and security of countries and contributes to economic instability and a loss of trust in government and the rule of law.

Through its ICRG, the FATF works in close co-operation with jurisdictions to address fundamental deficiencies that put a jurisdiction at risk of having its financial system abused for illicit finance.

A country is not added to the FATF's grey list only because of one or two deficiencies, but because it does not have the fundamental strategic measures in place to crack down on money laundering, terrorist financing and proliferation financing, which poses a risk to the entire global financial system.

The FATF works closely with each monitored jurisdiction, in particular low-capacity countries, to develop measurable and achievable action plans to promote and monitor progress in strengthening their measures. 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.

With the first set of assessments in the next round of mutual evaluations now underway, the FATF members approved revised criteria for prioritising countries for its ICRG review process in the next round. These updated prioritisation criteria are one of several new measures that aim to ensure that the FATF's listing process continues to be risk-based, fair, transparent, and cognisant of the capacity challenges that least developed countries face.

New jurisdictions subject to increased monitoring

Since July 2023, the FATF has added **Bulgaria**, **Kenya**, **Monaco**, **Namibia** and **Venezuela** to the grey list.

Each country under increased monitoring has committed to an action plan to strengthen its measures and to report back to the FATF on the progress it has made. The FATF and the relevant

FSRBs will work with these countries as they focus on completing their respective action plans within the agreed timeframe.

Removal from Increased Monitoring

Since July 2023, 8 countries have put in place the major reforms in line with their action plans and demonstrated high-level political commitment to sustain the reforms. These countries are no longer subject to FATF's increased monitoring:

Albania, Barbados, Cayman Islands, Gibraltar, Jordan, Panama, Uganda and the **United Arab Emirates**.

The FATF supported each country to work through essential reforms that will improve the strength and transparency of its financial system and contribute to the country's stability and

safety. Uganda, removed from the FATF grey list in February 2024, stressed that *"AML/CFT is a shared responsibility and a global effort that should be championed by all countries based on dialogue and sustained engagement."* Even as a country exits the grey list, it must continue to strengthen its measures, a point emphasised by the Cayman Islands which was removed from the FATF grey list in June 2024.



This milestone was a result of a concerted effort and valuable support from the FATF Team. The Government of Uganda is immensely grateful for the technical guidance and support it received from the FATF during the ICRG process that made it possible for us to complete our action plan and improve our AML/CFT framework.

Samuel Were Wandera, Executive Director, Financial Intelligence Authority, Uganda

The Cayman Islands records its immense gratitude to the FATF team for the invaluable support and guidance as the jurisdiction continues to enhance its money-laundering and terrorist financing framework in line with international standards. The engagement with the team from the FATF during the ICRG process has assisted us tremendously in being able to sustain the reforms put in place to strengthen the overall framework.

Hon. Andre Ebank, Deputy Premier and Minister for Financial Services & Commerce Minister for Investment, Innovation & Social Development

High-Risk Jurisdictions Subject to a Call for Action

The **Democratic People's Republic of Korea (DPRK)**, **Iran** and **Myanmar** are countries determined by the FATF to have serious strategic deficiencies to counter money laundering, terrorist financing, and financing of proliferation of weapons of mass destruction and are on the FATF blacklist. For these countries, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence. For the DPRK

and Iran, countries are called upon to apply counter-measures to protect the international financial system from the ongoing money laundering, terrorist financing, and proliferation financing risks emanating from each of these two countries.

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

Horizontal Review of Designated Non-Financial Businesses and Professions

This year, the FATF also completed a horizontal review of members' measures to prevent accountants, lawyers, real estate agents and trust and company service providers from being misused for money laundering and terrorist financing. A lack of regulation of these DNFBPs results in a lack of awareness and a greater risk

that these gatekeepers wittingly or unwittingly facilitate high-level corruption. The report highlights that 7 FATF members, representing more than half of the world's GDP, fall below a 50% compliance score. There is much more that needs to be done.

Consult the horizontal review at

→ www.fatf-gafi.org/en/publications/Fatfgeneral/Gatekeeper-TC-Corruption.html





Responding to Emerging Risks to Safeguard the Global Financial System

Illicit financial flows from cyber-enabled fraud

Cyber-enabled fraud (CEF) is a rising transnational organized crime, involving well-structured criminal syndicates with expertise in money laundering and ties to other criminal activities like human trafficking and proliferation financing. Money laundering in CEF involves complex networks of accounts, including money mules and through various financial institutions and gatekeepers, utilising techniques such as cash usage and trade-based money laundering.

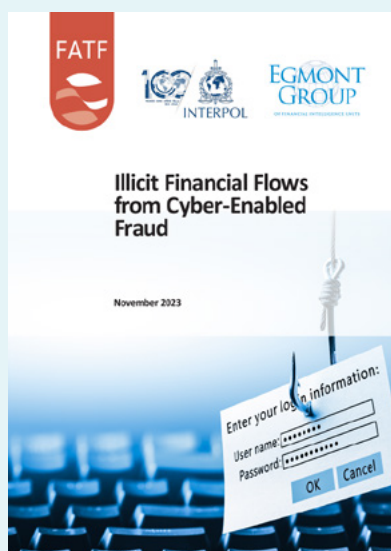
Technology aids CEF syndicates in scaling up their illicit activities, exploiting victims through psychological manipulation and leveraging digital tools for faster and more sophisticated

laundering. In partnership with the Egmont Group of Financial Intelligence Units and INTERPOL, the FATF published a report in November 2023 that finds that jurisdictions need better victim reporting, data analysis, and domestic coordination to combat CEF effectively. International co-operation and information exchange are also crucial to intercepting laundered proceeds across borders.



The Egmont Group, following the release of several joint EG-FATF projects in recent years, was thrilled to release in collaboration with FATF and INTERPOL, a ground-breaking joint report on Illicit Finance from Cyber-Enabled Fraud (CEF). This report underscores the power of collaboration and our commitment to combatting transnational organized crime. It also revitalizes our CEF Rapid Response Program for Member FIUs and reporting entities. We look forward to continuing efforts on asset recovery and international co-operation, with FATF as a key partner in our 2022-2027 strategic vision.

Elżbieta **Franków-Jáskiewicz**, Chair of the Egmont Group



Read the report at

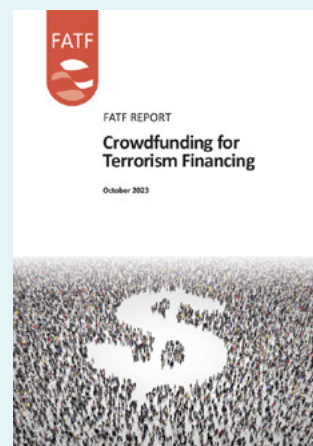
- ➔ www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/illicit-financial-flows-cyber-enabled-fraud.html

Crowdfunding for Terrorism

Examining the risks of crowdfunding platforms being exploited for terrorism financing, this October 2023 report identifies key vulnerabilities, such as weak customer due diligence, lack of reporting requirements, and anonymity features. While acknowledging the potential benefits of crowdfunding, it emphasises the urgent need for robust regulatory measures and enhanced co-operation among authorities, financial institutions, and platform operators to mitigate these risks effectively. Policy recommendations include strengthening AML/CFT/CPF financing frameworks, improving information sharing mechanisms, and enhancing platforms' compliance obligations to safeguard against illicit financing activities.

Read the report at

→ www.fatf-gafi.org/en/publications/Methodsandtrends/crowdfunding-for-terrorism-financing.html



Working with the FATF on the Crowdfunding for Terrorist Financing project was an incredible experience and I commend the FATF for facilitating this meaningful collaboration between (the) public and private sectors. GoFundMe had the opportunity to provide practical guidance, leaning on our 10+ years of technical and operational expertise in this space. Meanwhile, we were fortunate to glean insights from leaders across the public and private sectors that have helped us to promote partnerships and continue supporting efforts to shield the giving space.

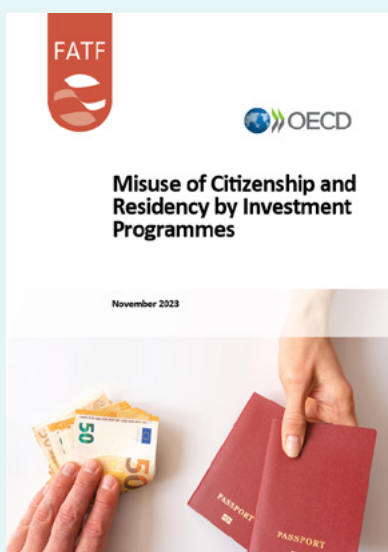
Matthew Murray, Director Financial Crimes & Regulatory Affairs from GoFundMe, involved in the Crowdfunding for Terrorist Financing project, adopted October 2023.

Misuse of Citizenship and Residency by Investment Programmes

Each year, numerous individuals obtain citizenship or residency in foreign countries through Citizenship and Residency by Investment (CBI/RBI) programmes, which can spur economic growth for host nations and expedite migration for wealthy individuals. However, they are susceptible to exploitation by criminals for money laundering and financial crimes.

This joint FATF/OECD report from November 2023 examines the risks, including vulnerabilities such as lack of oversight, professional enablers' involvement, and conflicts of interest. It proposes mitigation measures like robust due diligence, ongoing monitoring, and multilateral co-operation to strengthen governance and prevent abuse. Governments

with such schemes are strongly encouraged to examine the report and consider the mitigation measures that have been identified.



Read the report at

→ www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/misuse-CBI-RBI-programmes.html



FATF Leadership and Governance

How does the FATF work?

The FATF was initially formed as a taskforce of members. In 2019, the FATF Ministers agreed that the organisation's mandate should be open-ended. FATF continues to be member-driven – the Ministers of members own the agenda at the FATF Ministerial and members decide on the work programme based on this. Members select a President and Vice President through a defined and inclusive process, provide the leadership of the FATF Working Groups and provide experts who undertake peer evaluations and the follow-up thereto, and contribute their experts to project teams who develop draft amendments to the Standards and report on emerging risks.

The Global Network is a unique feature of the FATF. More than 200 countries and jurisdictions have committed to implementing the FATF

Standards, including through their membership of a FSRB. All FSRBs are associate members of the FATF and have a seat at the FATF plenaries and are involved in all aspects of FATF work. The Singapore Presidency has institutionalised measures to ensure an FSRB Executive Secretary is represented on the Steering Group and formalise the annual high-level FATF and FSRB Chairs' Meeting.

The Plenary, made up of all FATF members, is the decision-making body of the FATF. The FATF President is the Chair of the FATF Plenary and has a Steering Group that advises him/her. The Plenary's decisions are implemented by the FATF Secretariat. The FATF Plenary's decisions are taken by consensus. The consensus is informed by the views of associate members

and observers. Building a consensus means that parties with different views need to listen to each other and take a step forward together. It requires constructive discussions on substance.

This approach allows the FATF to evolve to address contemporary challenges, such as on asset recovery, beneficial ownership transparency and risk-based measures on NPOs. The confidentiality of FATF's deliberations is essential to support consensus building.



FATF Plenary, February 2024

Internal Governance

The FATF is guided by a Plenary approved set of internal governance principles which establish the Plenary as the FATF's decision-making body, which takes its decision by consensus, following discussions where each member country has an equal voice.

The internal governance principles also define the process for countries to become members. One important area is the commitments required of potential members, such as providing support for the FATF's work through making experts and assessors available for mutual evaluations or contributing to the FATF's outreach to the private sector. These are set out in detail in the FATF Membership Policy.

Transparency, diversity and inclusiveness are embedded in these principles which apply to

FATF Members, associate members, observers, the Presidency and the FATF Secretariat.

Members holding leadership and advisory positions are required to carry out their role objectively, impartially and without any potential conflict of interest.

Recruitment processes for leadership positions, including the FATF President, the Vice-President and FATF Executive Secretary are conducted using objective selection criteria. This ensures that each leadership appointment, and indeed all recruitment at the FATF Secretariat, is the result of a competitive, merit-based process in which suitable candidates from any of the FATF Member countries can compete.

FATF Ministerial Meeting

The FATF is a member-driven organisation whose Ministers meet on a biennial basis to set the **strategic priorities of the FATF**. At their most recent biennial meeting in April 2024, FATF Ministers reaffirmed their unwavering commitment to combat financial crime, and fully support the FATF as the global financial crime standard-setter.

The Ministers agreed on the strategic priorities for 2024-2026, which will guide the work of the FATF during the next biennium. They also agreed to increase the sustainability of the FATF’s budget, recognising its importance for planning and HR certainty.

Strategic Priorities 2024-2026

Endorsed by FATF Ministers in April 2024

Increased effectiveness in the peer process

More timely, risk-based country assessments (new round of evaluations)

More rigorous, risk-based follow-up

Improved training for better quality and consistency across reviews

A stronger Global Network

Stronger inclusive institutional framework

Increased support for the assessment process worldwide

Stronger support for Low-Capacity Countries

More effective implementation of global AML/CFT standards

Expanded training and support on updated asset recovery and beneficial ownership standards

Enhanced risk awareness and comprehension of terrorist financing, proliferation financing and sanction evasion schemes

Minimise unintended consequences (e.g. NPOs, financial inclusion)

Respond to evolutions in finance

Supporting the implementation of Global Standards on Virtual Assets

Updating Standards on Payment Transparency

Sharing information, building partnerships and data protection



Participants at the FATF Ministerial meeting in Washington, D.C., 18 April 2024

The incoming FATF Presidency will prioritise the following work to support the Strategic priorities for 2024-2026:

- Promote the risk-based implementation of the Standards under the principles of proportionality, particularly those that can contribute to advance financial inclusion. This is particularly important as limited access to formal financial services leads to greater reliance on cash and unregulated channels, increasing money laundering and terrorist financing risks
- Ensure a successful start to the new round of assessments. This will be a short cycle with greater emphasis on risks and the context of the countries, and a focus on effectiveness.
- Strengthen the cohesion within the Global Network by continuing to foster transparency and inclusiveness.
- Support effective implementation of revised FATF Standards with a focus on the recently strengthened standards on asset recovery, beneficial ownership and virtual assets.
- Continue efforts to increase and update understanding of terrorist financing and proliferation risks to prevent and combat these activities.

The Presidency looks forward to enhancing FATF's communication and engagement with stakeholders and working collaboratively with all members, associate members and partners, and to be reflective of the diverse perspectives and realities within our global community.

Presidency

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.

FATF 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. He served as Singapore's head of delegation to the FATF until his appointment as President. In February 2024, the FATF Plenary appointed Ms Elisa de Anda Madrazo of Mexico to succeed Mr. Raja Kumar, at the end of his Presidency on 30 June 2024.



FATF Vice-President

Jeremy Weil of Canada assumed his role as Vice-President of the FATF on 1 July 2023. Mr. Weil is Department of Finance Canada's Senior Director of International Financial Crime Policy and Sanctions and was Canada's head of delegation to the FATF until his appointment as Vice President.



Steering Group

The FATF Steering Group serves as an advisory board to the President. The FATF Plenary approves the composition of the Steering Group, ensuring a geographic balance and diversity in terms of the size of the Member’s economy, level of participation in FATF and FSRBs, and relevant international engagement. The Steering Group also has guest seats which allows the invited Head of Delegation to participate for two Plenary cycles, after which the guest role is handed over to another Head of Delegation.

These guest seats allow jurisdictions that have little or no experience as a Steering Group member to have a seat at the table, and enhances their understanding of the role and value-add that the Steering Group provides to the President and the Secretariat. This makes for greater transparency within the organisation.

Steering Group Members *(as at 30 June 2024)*



T. Raja KUMAR
Singapore
President



Mingyou BAO
China



Vivek AGGARWAL
India



Jeremy WEIL
Canada
Vice-President



Martin Melo
European Commission



Mitsutoshi KAJIKAWA
Japan



Violaine CLERC
FATF Executive Secretary



Pierre ALLEGRET
France



Giles THOMSON
United Kingdom



Marconi MELO
Brazil



Maria Wienker
Germany



Scott REMBRANDT
United States

Guest Steering Group Members per Plenary

< Jun-23

Oct-23

Feb-24

Jun-24

> Oct-24



Mr. Suliman ALJABRIN
Middle East and North Africa Financial Action Task Force



Ms Raghad H. ALYOUSEFI
Gulf Co-operation Council



Ms Fikile ZITHA
Eastern and Southern Africa Anti-Money Laundering Group

Leadership: FATF Working Group Co-Chairs

The FATF Working groups are chaired by senior government officials from the FATF Membership. Each co-chair has a two-year mandate that is renewable by decision of the FATF Plenary.

The FATF ensures a geographic balance in the co-chair appointments, which further strengthens the global perspective of the FATF in its work.

FATF Working Group Co-Chairs (as at 30 June 2024)



Evaluation and Compliance Group (ECG)

Mr Stewart McGlynn (Hong Kong, China) *[right]*

Mr Anders Schiøtz Worren (Norway)



Global Network Co-ordination Group (GNCG)

Mr Esteban Fullin (GAFILAT) *[left]*

Mr Giles Thomson (United Kingdom)



International Co-operation Review Group (ICRG)

Mr Antonio Adinolfi (Italy) *[right]*

Ms Anne Larson (United States)



Policy Development Group (PDG)

Mr Takahide Habuchi (Japan) *[left]*

Mr Elad Wieder (Israel)



Risks, Trends and Methods Group (RTMG)

Mr Marconi Melo (Brazil) *[left]*

Mr Maarten Pijls (Netherlands)

FATF Secretariat

68 staff including **51 policy staff** and **8 seconded** or loaned by their respective jurisdiction

Reflecting FATF’s diverse membership, seconded or loaned staff bring valuable expertise and perspectives from their respective jurisdictions to the FATF Secretariat and the work of the FATF. At the end of their term at the FATF Secretariat, each seconded staff or staff on loan will have gained valuable experience, knowledge and skills that will benefit their respective governments’ efforts to tackle illicit financial flows.

Throughout the year, the FATF also welcomed interns from different backgrounds. Each contributed to FATF’s various workstreams gained valuable experience working in a dynamic international environment, and hopefully are inspired to join the next generation of AML/CFT/CPF experts.



26
nationalities



64% female - **36%** male workforce

The FATF is committed to ensuring that its Secretariat reflects the diversity of its membership and that it has a good gender balance. While the composition of the FATF Secretariat fluctuates, the FATF consistently has a wide range of nationalities and female staff at every level, including at senior management level.



230
outreach missions across
the Global Network

Support the Global Network	74 missions
Support peer evaluations	74 missions
Other missions	57 missions

These missions include in-person training, on-site visits in the context of a mutual evaluation as well as key events, such as the G20, to engage with leaders and FATF stakeholders. These in-person meetings are crucial, particularly when complex negotiations or sensitive discussions are involved. They help build trust, foster collaboration, and facilitate nuanced dialogue. In parallel, and where possible, the FATF also actively engaged with its stakeholders through virtual platforms. The FATF’s priorities can be seen from its missions, with the highest level of outreach undertaken to support the Global Network (74 missions); support peer-evaluations (74 missions); and support horizontal efforts, engagement with stakeholders and policy cohesion (57 missions).

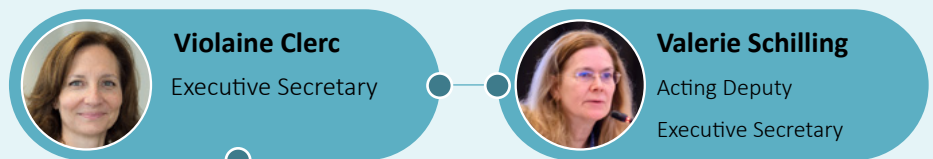
Executive Secretary and management of FATF Secretariat

As Executive Secretary, Ms Violaine Clerc is responsible for leading the work of the Secretariat and ensuring efficient delivery of the FATF Work Plan in line with its mandate and the FATF’s Strategic Priorities agreed to by the Ministers of its 40 members. The Executive Secretary advises the FATF President and Vice President and is responsible to the FATF Plenary, the FATF’s governing body, and the FATF President.

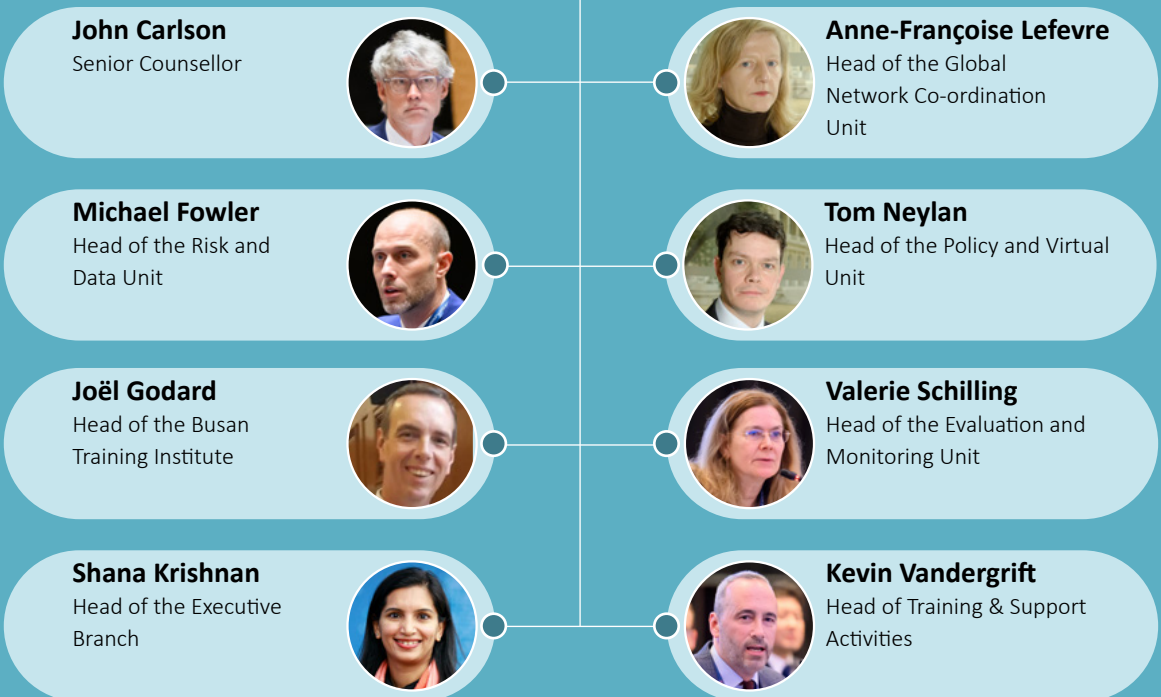
She works closely with the FATF’s 40 members and the 9 FATF-Style Regional Bodies, whose members make up the FATF Global Network

of over 200 countries and jurisdictions. She is supported by a Deputy Executive Secretary in providing leadership and strategic direction to the FATF Secretariat.

The FATF Secretariat provides advice and supports a diverse membership, including all G20 member countries and most OECD member countries, on a range of highly complex and politically sensitive matters of global security. The FATF Secretariat supports the work of the FATF, its Working Groups and its Training arm.



Management Team *(as at 30 June 2024)*





In memoriam

Vincent “Casey” Schmoll

1960 - 2024

In February 2024, the FATF sadly lost a key member of its Secretariat.

FATF Deputy Executive Secretary Vincent Schmoll joined the FATF Secretariat in Paris in 1998 and over the years played a crucial role in shaping and driving the FATF’s transformation from a small task force to an established international body and Standards-setter with 40 members and an open-ended mandate. Vincent Schmoll demonstrated unwavering dedication, exemplary leadership and an unparalleled commitment to excellence. He truly believed in the important work of the FATF, from its typologies work to standard-setting, to assessments to providing advice and guidance to 24 different FATF Presidents.

“He was a great mentor and his passion, professionalism and dedication were a source of inspiration and guidance for his colleagues and delegates alike.”

He was and will always be a FATF colossus. Few will make the same mark as he did on the FATF and its Secretariat.”

T Raja Kumar, President 2022-2024

Financial Statement

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 34% of the FATF budget. The scale used to calculate membership fees is based on the OECD’s calculation method, which is a formula related to the size of the country’s economy.

At the April 2024 Ministerial meeting, FATF members committed to increase core funding to ensure sustainability of the FATF’s budget and welcomed continued voluntary contributions for specific projects.

The FATF is committed to using these resources efficiently and to prioritising activities that offer the greatest value for member countries, in line with the FATF mandate and strategic priorities, while avoiding unnecessary expenditures. By using its resources efficiently, the FATF aims to remain sustainable and beneficial to all member countries.

Budget items	FY2023	FY2024
Staff costs (salaries and indemnities)	9 845 075	10 451 713
Travel	1 317 960	1 044 100
Operating costs (including office rental)	992 641	724 016
OECD overhead charges	979 600	944 000
Meeting costs, translation and interpretation costs	431 480	540 553
IT: investments and maintenance costs	590 845	628 291
Total	14 076 599	14 331 674

Annex I Members and Observer Countries

Members

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

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

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)

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
Burundi	ESAAMLG
Cambodia	APG
Cameroon	GABAC
Canada	FATF-APG

Country/Jurisdiction	FSRB
Cape Verde	GIABA
Cayman Islands	CFATF
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

Country/Jurisdiction	FSRB
Gambia	GIABA
Georgia	MONEYVAL
Germany	FATF
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

Country/Jurisdiction	FSRB
Lebanon	MENAFATF
Lesotho	ESAAMLG
Liberia	GIABA
Libya	MENAFATF
Liechtenstein	MONEYVAL
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

Country/Jurisdiction	FSRB
Palau	APG
Palestine	MENAFATF
Panama	GAFILAT
Papua New Guinea	APG
Paraguay	GAFILAT
Peru	GAFILAT
Philippines	APG
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
South Sudan	ESAAMLG
Spain	FATF
Sri Lanka	APG
Sudan	MENAFATF
Suriname	CFATF
Swaziland	ESAAMLG
Sweden	FATF

Country/Jurisdiction	FSRB
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
Tonga	APG
Trinidad and Tobago	CFATF
Tunisia	MENAFATF
Türkiye	FATF
Turkmenistan	EAG
Turks and Caicos Islands	CFATF
Tuvalu	APG
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)

The FATF logo is located in the top right corner. It consists of the letters "FATF" in a white, sans-serif font, positioned above a stylized graphic of three overlapping, curved shapes in shades of orange and red, resembling a globe or a stylized 'F'.

FATF Annual Report 2023-2024

This report summarises the work of the
Financial Action Task Force (FATF)
from 1 July 2023 to 30 June 2024,
under the Presidency of
Mr. T. Raja Kumar of Singapore.

www.fatf-gafi.org