

Draft Chairman's Summary March 2022

Paris, 4 March 2022 - The sixth Plenary of the FATF under the German Presidency of Dr. Marcus Pleyer concluded today.

Delegates representing the 206 members of the Global Network and observer organisations, such as the IMF, the United Nations and the World Bank, met for four days of meetings. The event took place in a hybrid form with the majority of participants able to travel to meet in person in Paris due to gradual easing of COVID-19 related restrictions in many countries.

FATF Members discussed the tragic developments and the loss of life in Ukraine and issued a statement that expresses FATF's grave concern about the invasion's impact on the money laundering, terrorist financing and proliferation financing risk environment as well as the integrity of the financial system, the broader economy and safety and security.

- FATF Statement on the situation in the Ukraine

The Plenary approved key work that will prepare for the next round of mutual evaluations and finalised an update to Recommendation 24, to improve transparency of beneficial ownership of legal persons. The FATF approved a report on the money laundering and terrorist financing risks of migrant smuggling, and agreed to release a guidance for public consultation that will help the real estate sector to implement risk-based measures to better detect and prevent money laundering.

The FATF agreed to begin work on enhancing asset recovery by strengthening collaboration between the FATF/FSRBs and the Asset Recovery Networks – [CARIN](#) and the ARINs, and also agreed to further consider strengthening Recommendations 4 and 38 on the domestic and cross-border frameworks. Delegations also started new work on the proceeds of the trafficking of fentanyl and other synthetic opioids.

The Plenary also agreed on the appointment of a new President of the FATF (2022-2024).

Strategic Review

The FATF reached a milestone with the completion of its strategic review. The review, which began in 2019, aimed to streamline the FATF's processes to make the next round of mutual evaluations more targeted, timely and effective.

Delegates agreed to make public the findings of a fact-finding stocktake that helped to drive the strategic review forward. The report on the state of global compliance and effectiveness highlights the successes achieved in the global fight against money laundering and terrorist financing, whilst also identifying areas that need further improvement. It also raised a number of important issues which have been addressed in the revised assessment Methodology.

As a result of this strategic review, the FATF finalised and approved the *FATF Methodology* to assess countries' actions to combat money laundering and the financing of terrorism and proliferation, and *the FATF Procedures* for the fifth round of mutual evaluations, which is expected to start in 2024.

The fifth round of mutual evaluations will have a greater focus on risk and context to ensure that countries prioritise their efforts in areas where the risks are highest, and a stronger focus on designated non-financial businesses and professions. The next cycle of mutual evaluations will also be significantly shorter, with a streamlined and stronger follow-up process that focuses primarily on improving effectiveness and ensuring that countries which do not take effective actions are held to account.

While these documents refine and strengthen the FATF's future assessment framework, the responsibility for effective action against money laundering and terrorist financing lies with each of the countries of the FATF Global Network.

The FATF will now prepare these documents for publication on the FATF website.

Strategic Vision for the Global Network

The fight against money laundering and terrorist financing requires a global response. The work of the Global Network, which brings together the FATF and nine FATF-Style Regional Bodies (FSRBs), as well as work with relevant observers, is crucial.

The Plenary agreed on the strategic vision for the Global Network, which will strengthen the FATF/FSRBs partnership that forms the backbone to the successful assessment and compliance with global anti-money laundering and counter terrorist financing (AML/CFT) measures.

The strategic vision supports FATF and FSRBs' collective efforts to achieve their common objectives of combating money laundering and the financing of terrorism and proliferation, and of fostering effective AML/CFT systems.

Monitoring Compliance with the FATF Standards

Mutual Evaluation of France

The FATF concluded that France has a robust and sophisticated AML/CFT framework, that is very effective in combating the financing of terrorism, the confiscation of criminal assets and international cooperation. France is also achieving particularly good results in the use of financial intelligence, money laundering investigations and prosecutions, and the implementation of targeted financial sanctions. France however needs to do more in certain areas, such as the supervision and implementation of preventive measures for professionals involved in the activities of legal persons and real estate sector, as well as improving the monitoring of the non-profit sector to prevent the potential misuse for terrorist financing.

The FATF will publish this report in May, after a quality and consistency review.

Jurisdictions under Increased Monitoring

Jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring,

it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to extra checks. In line with the flexible procedures adopted in February 2021 to allow FATF to continue its monitoring programme in light of the COVID-19 pandemic, the FATF has updated its statements for countries under review.

New jurisdictions subject to increased monitoring: United Arab Emirates

- Jurisdictions under increased monitoring [[link to statement](#)]
- High-Risk Jurisdictions subject to a Call for Action (unchanged from February 2020) [[link to statement](#)]

Jurisdictions No Longer Under Increased Monitoring – Zimbabwe

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

Annual Training Programme

The Plenary discussed and agreed on the annual training plan for 2022 that includes training sessions at the FATF Training Institute in Busan, training in FATF Global Network member jurisdictions, as well as online training through the FATF’s e-learning platform. The training plan responds to the needs identified by members of the FATF Global Network at the end of 2021, which includes training that aims to assist countries subject to FATF’s International Co-operation and Review Process. The training sessions are open to government officials of the Global Network and will help strengthen understanding of the FATF Standards and how to use them to detect, prevent and punish money laundering and the financing of terrorism and proliferation.

Strategic initiatives

New Beneficial Ownership rules to tackle money laundering

Anonymous shell companies and other businesses enable organised criminal gangs, the corrupt and sanctions evaders to launder their dirty money. That is why the FATF has agreed on tougher global beneficial ownership rules to stop criminals from hiding their illicit activities and dirty money behind secret corporate structures.

The FATF has agreed to revise Recommendation 24 and its Interpretive Note, which require countries to ensure that competent authorities have access to adequate, accurate and up-to-date information on the true owners of companies.

Countries will now be required to ensure beneficial ownership information is held by a public authority or body functioning as a beneficial ownership registry, or an alternative mechanism as efficient. Countries will also be required to ensure that competent authorities can rapidly and efficiently access beneficial ownership information. Authorities will have to assess and mitigate the money laundering and terrorist financing risks associated with foreign companies, to which their countries are exposed. The FATF has also agreed to ban

new bearer shares and to strengthen disclosure requirements for existing bearer shares and for nominee arrangements, which will stop these being used to hide money laundering.

In the course of revising Recommendation 24 and its Interpretive Note, the FATF has held two rounds of public consultations. The FATF sought views from affected stakeholders, particularly on the multipronged approach to collect beneficial ownership information, bearer shares and nominee arrangements, the risk-based approach, and access to information. The FATF took these contributions into account and has refined the text of the amendments accordingly. The FATF received strong support for its proposed amendments to strengthen standards on beneficial ownership and transparency and thanks all stakeholders who took part in the process.

[[Link to public statement](#)]

Money Laundering and Terrorist Financing Risks arising from Migrant Smuggling

Every year, millions of migrants seek to escape regional conflict, political instability, persecution and poverty in search of a better future. They can 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.

The FATF completed research on the money laundering and terrorist financing risks associated with migrant smuggling. The report finds that while this criminal business has expanded, many countries do not consider it a high-risk crime for money laundering and the associated financial flows are rarely investigated. The report identifies the most common methods to transfer and launder the proceeds of migrant smuggling, from hawala, integration of proceeds into legitimate business such as shops, travel agencies and transport companies, and the increasing use of professional money launderers. Using countries' experiences, the report provides several recommendations and good practices that allow authorities to better trace criminal proceeds and enhance the effectiveness of money laundering investigations. The report highlights the need for countries to understand the money laundering risks they face from migrant smuggling and to proactively follow the money linked to this criminal activity, including through increased collaboration with national and international authorities and the private sector.

The FATF aims to publish the report on 22 March.

Risk-based Approach Guidance for the Real Estate Sector

Real estate is a popular and stable choice for investments. Criminals who wish to launder their illicit assets exploit the real estate sector. As a result, real estate professionals have an important role in preventing criminals from misusing the real estate sector for money laundering or terrorist financing.

However, currently the real estate sector generally has a poor understanding of the risks they are exposed to, according to the results of the vast majority of fourth round mutual evaluations. The FATF has developed draft guidance on the risk-based implementation of anti-money laundering and counter terrorist financing measures in the real estate sector. The FATF will publish this report for public consultation and welcomes input from all interested stakeholders before finalising the guidance. This includes the real estate business, but also experts, mortgage lenders and interested non-profit sector organisations. Deadline for comments: 22 April 2022

Download the report [[link to page & pdf](#)]

Unintended Consequences of the FATF Recommendations

The FATF has completed its work to identify and analyse unintended consequences of the FATF Recommendations, with a focus on proactive steps to prevent AML/CFT measures leading, in particular to de-risking, financial exclusion, undue targeting of NPOs. The Plenary has now agreed to refer the substantive work to the relevant FATF Working Groups who will scope out and refine how FATF can mitigate the unintended consequences of FATF's Standards without diminishing the effectiveness of global AML/CFT measures. The FATF will continue to engage with external stakeholders as this work develops.

FATF Presidency 2022-2024

This week, the Plenary, took the formal decision to appoint Mr. T. Raja Kumar of Singapore as the next President of the FATF, for a fixed two-year term.

Member countries took this decision following a comprehensive process, led by the current FATF President and which included consultations with all delegations. A number of highly qualified candidates were put forward by the FATF membership, each presenting his/her priorities and vision for the future of the FATF. As a result of this process, the FATF Plenary agreed to appoint Mr. Kumar as the next President of the FATF. Mr. Kumar will take up his duties on 1 July 2022, the day after the two-year Presidency of Dr. Marcus Pleyer concludes.

FATF PUBLIC STATEMENT ON THE SITUATION IN UKRAINE

The FATF expresses deep sorrow due to the loss of people's lives in connection with the tragic developments in Ukraine.

At the heart of the work of the FATF are the principles of international cooperation, dialogue and mutual respect among countries. In light of the Russian Federation's military invasion of Ukraine, the FATF, as the global standard setting body for combating money laundering, terrorist financing and proliferation financing, expresses its grave concern about the invasion's impact on the money laundering, terrorist financing and proliferation financing risk environment as well as the integrity of the financial system, the broader economy and safety and security.

The actions of the Government of the Russian Federation run counter to the FATF core principles and represent a gross violation of the commitment upon which FATF Ministers agree to implement and support the FATF Standards. The FATF is reviewing Russia's role at the FATF and will consider what future steps are necessary to uphold these core values.

The FATF calls on all jurisdictions' competent authorities to provide advice and facilitate information sharing with their private sectors on assessing and mitigating any emerging ML/TF/PF risks identified, including in relation to virtual assets, as well as other threats to international safety and security from the region.

The FATF further notes that malicious cyber activity targeting financial institutions and systems undermines financial integrity and stability, and could jeopardize the ability of the private sector and competent authorities to implement and monitor core AML/CFT controls. Such activity could prevent access to financial services for legitimate users needing to access vital services.

The FATF welcomes the progress made by Ukraine in combating its money laundering risks, highlighted in its mutual evaluation report, relating to corruption and the theft of state assets, and the active steps taken by judicial authorities to recover assets stolen by senior officials of the former regime. The FATF expresses concern that the current military invasion and other activities by the Russian Federation may inhibit that important progress.

The FATF reiterates the utmost importance of ensuring non-profit organisations (NPOs) and all other humanitarian actors can provide the vital humanitarian assistance needed in the region and elsewhere, without delay, disruption or discouragement. The FATF reminds all jurisdictions that the requirements of FATF standards applicable to NPOs cannot be used to justify intimidation or repression of legitimate humanitarian activities.

The FATF notes that all jurisdictions should be vigilant to the possibility of emerging risks from circumvention of measures taken in order to protect the international financial system from the ML/TF/PF risks resulting from Russia's aggression against Ukraine.

The FATF will continue to monitor the situation closely. It will consider all options to help promote the security, safety and the integrity of the global financial system, and will respond as necessary to significant new and emerging threats and risks to the integrity of the financial systems, consistent with the needs identified by the international community.

Public Consultation on the FATF Risk-Based Guidance to the Real Estate Sector

The Financial Action Task Force (FATF) is considering proposals for the update of the FATF Risk Based Guidance to the Real Estate Sector.

In June 2021, the FATF Plenary agreed to review the guidance and set out a Project Team of FATF delegations and private sector representatives to consider the necessary changes and gather relevant information.

The Guidance paper proposed for public consultation reflects the work and discussion of the Project Team, as well as members' input of relevant case studies and data on the real estate sector's AML/CFT supervision and practice.

The FATF is consulting all interested stakeholders in advance of finalising the Guidance. Views from practitioners, experts and those involved in the broader real estate business are welcome. We also welcome views from interested non-profit sector organisations.

Of particular interest, comments and additional input are welcome regarding:

- The details and specific guidance to practitioners, as well as additional aspects of guidance that may merit consideration and are not currently addressed.
- Specific business-cases of real estate sector ML/TF risks and threats, and measures put in place by the private sector to address them so that the Guidance could be more helpful and practical.
- Terrorist financing threats as identified by the sector practitioners.

Please provide your response, including any drafting proposals FATF.Publicconsultation@fatf-gafi.org with the subject-line "Comments of [author] on the draft FATF RBA Guidance", by **22 April 2022 (18h00 CET)**.

While submitting your response, please indicate the name of your organisation, the nature of your business, and your contact details. Please also indicate if you have any objections or concerns regarding the use of the input provided to inform the FATF's high-level summary of the public consultation.

You may insert any specific drafting proposals directly in the attached text of the draft **in tracked changes**. We will use your contact information only for the purpose of this public consultation and for further engagement with you on this issue.

At this stage, the FATF has not approved the draft Guidance and will consider the views received to revise the text before its proposal for adoption at the FATF June 2022 Plenary.

We thank you for your input in advance.

High-Risk Jurisdictions subject to a Call for Action – 4 March 2022

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

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

Jurisdictions under Increased Monitoring – 4 March 2022

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

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

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

Since the start of the COVID-19 pandemic, the FATF has provided some flexibility to jurisdictions not facing immediate deadlines to report progress on a voluntary basis. The following countries had their progress reviewed by the FATF since October 2021: Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Jamaica, Malta, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, South Sudan, Uganda, and Zimbabwe. For these countries, updated statements are provided below. Jordan, Mali, Haiti, and Turkey were given the opportunity and chose to defer reporting; thus, the statements issued in June and October 2021 for these jurisdictions are included below, but they may not necessarily reflect the most recent status of the jurisdiction’s AML/CFT regime. Following review, the FATF now also identifies the United Arab Emirates.

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

Albania

Since February 2020, when Albania made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime, Albania has taken steps towards improving its AML/CFT regime, including by finalising the registration of real estate property and completing a long-term project to reduce the informal economy.

Albania should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) establishing more effective mechanisms to prevent criminals from owning or controlling DNFBPs, including by implementing new laws on the regulation of real estate intermediaries and notaries; (2) ensuring that there are effective mechanisms for timely access by authorities to company beneficial ownership information, as well as appropriate penalties for non-compliance or the provision of false information, including by implementing new laws to increase the population of the beneficial owners registry and raise the level of administrative sanctions; (3) increasing the number of prosecutions for ML, especially in cases involving foreign predicate offences; and (4) demonstrating seizures and confiscations of assets linked to third-party and professional money launderers.

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

Barbados

Since February 2020, when Barbados made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, Barbados has taken steps towards improving its AML/CFT regime, including by improving its understanding of vulnerabilities related to legal persons and legal arrangements. Barbados should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating an effective application of risk-based supervision of DNFBPs (except CTSPs); (2) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate and up-to-date basic and beneficial ownership information is available on a timely basis; (3) ensure its FIU's financial intelligence products further assist law enforcement authorities in investigating ML or TF; (4) demonstrating that ML investigations and prosecutions are in line with the country's risk profile and result in sanctions, when appropriate, and provide statistics or case studies demonstrating a reduction of any backlog of cases; (5) further pursuing confiscation in ML cases, including by seeking assistance from foreign counterparts.

Burkina Faso

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

Cambodia

In February 2019, Cambodia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. Cambodia should take urgent action to fully address remaining measures in its action plan as all timelines have already expired. Cambodia should therefore continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) enhancing disseminations of financial intelligence to law enforcement authorities in connection with high-risk crimes; (2) demonstrating an increase

in ML investigations and prosecutions in line with risk; (3) demonstrating an increase in the freezing and confiscation of criminal proceeds, instrumentalities, and property of equivalent value; (4) demonstrate that implementation of TFS related to PF is occurring by providing training to strengthen the skills of competent authorities to implement PF TFS, and enhance the understanding of sanctions evasion.

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

The Cayman Islands

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

Haiti (Statement from June 2021)

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

Jamaica

Since February 2020, when Jamaica made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, Jamaica has taken steps towards improving its AML/CFT regime, including by implementing on-going risk based supervision of DNFBPs and wider reforms increasing the use of financial intelligence in ML investigations and charges. Jamaica should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) including all FIs and DNFBPs in the AML/CFT regime and ensuring adequate, risk-based

supervision in all sectors; (2) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate and up-to-date basic and beneficial ownership information is available on a timely basis to competent authorities; (3) taking proper measures to increase ML investigations and prosecutions, in line with the country's risk profile; and (4) implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

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

Jordan (Statement from October 2021)

In October 2021, Jordan made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in November 2019, Jordan has made progress on a number of the MER's recommended actions to improve its system, including by finalising their National Risk Assessment (NRA). Jordan will work to implement its FATF action plan by: (1) completing and disseminating the ML/TF risk assessments of NPOs, legal persons and virtual assets; (2) improving risk based supervision and applying effective, proportionate, and dissuasive sanctions for noncompliance; (3) conducting training and awareness raising programmes for DNFBBPs on their AML/CFT obligations, particularly with regard to filing and submitting STRs; (4) maintaining comprehensive and updated basic and beneficial ownership information on legal persons and legal arrangements; (5) pursuing money laundering investigations and prosecutions, including through parallel financial investigations, for predicate offences in line with the risk identified in the NRA; (6) creating a legal obligation for confiscating instrumentalities used or intended to be used in ML crimes; (7) developing and implementing a legal and institutional framework for targeted financial sanctions; and (8) developing and implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

Mali (Statement from October 2021)

In October 2021, Mali made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in November 2019, Mali has made progress on a number of the MER's recommended actions to improve its system, including by adopting its National Risk Assessment (NRA). Mali will work to implement its FATF action plan by: (1) disseminating the results of the NRA to all relevant stakeholders including by conducting awareness raising activities with the highest risk sectors; (2) developing and starting to implement a risk based approach for the AML/CFT supervision of all FIs and higher risk DNFBBPs and demonstrating effective, proportionate and dissuasive sanctions for noncompliance; (3) conducting a comprehensive assessment of ML/TF risks associated with all types of legal persons; (4) increasing the capacity of the FIU and the LEAs and enhancing their cooperation on the use of financial intelligence; (5) ensuring relevant competent authorities are involved in investigation and prosecution of ML; (6) strengthening the capacities of relevant authorities responsible for investigation and prosecution of TF cases; (7) establishing a legal framework and procedures to implement targeted financial sanctions; and (8) implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

Malta

In June 2021, Malta made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime. At its February 2022 Plenary, the FATF made the initial determination that Malta has substantially completed its action plan and warrants an on-site visit to verify that the implementation of Malta's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation and improvement in the future. Malta has made the following key reforms: (1) continuing to demonstrate that beneficial ownership information is accurate and that, where appropriate, effective, proportionate, and dissuasive sanctions, commensurate with the ML/TF risks, are applied to legal persons if information provided is found to be inaccurate; and ensuring that effective, proportionate, and dissuasive sanctions are applied to gatekeepers when they do not comply with their obligations to obtain accurate and up-to-date beneficial ownership information; (2) enhancing the use of the FIU's financial intelligence to support authorities pursuing criminal tax and related money laundering cases, including by clarifying the roles and responsibilities of the Commissioner for Revenue and the FIU; and (3) increasing the focus of the FIU's analysis on these types of offences, to produce intelligence that helps Maltese law enforcement detect and investigate cases in line with Malta's identified ML risks related to tax evasion. The FATF will continue to monitor the COVID-19 situation and conduct an on-site visit at the earliest possible date.

Morocco

In February 2021, Morocco made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. Morocco has taken steps towards improving its AML/CFT regime, including by providing additional training and awareness raising to financial institutions and DNFBPs to detect suspicious cases and to file STRs. Morocco should continue to work to implement its action plan to address its strategic deficiencies, including by: (1) improving risk-based supervision and taking remedial actions and applying effective, proportionate and dissuasive sanctions for non-compliance; (2) ensuring that beneficial ownership information, including information of legal persons and foreign legal arrangements is adequate, accurate and verified; (3) increasing the diversity of suspicious transactions reporting; (4) cooperating and sharing relevant information on ML cases in a timely manner and establish asset seizing and confiscation procedures; and (5) monitoring and effectively supervising the compliance of FIs and DNFBPs with targeted financial sanctions obligations.

Myanmar

In February 2020, Myanmar made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. Myanmar has taken some steps toward improving its AML/CFT regime, specifically training on proliferation financing targeted financial sanctions, but the progress has been limited. Myanmar should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating an improved understanding of ML risks in key areas; (2) demonstrating that onsite/offsite inspections are risk-based, and hundi operators are registered and supervised; (3) demonstrating enhanced use of financial intelligence in LEA investigations, and increasing operational analysis and disseminations by the FIU; (4) ensuring that ML is investigated/prosecuted in line with risks; (5) demonstrating investigation of transnational ML cases with international cooperation; (6) demonstrating an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property

of equivalent value; (7) managing seized assets to preserve the value of seized goods until confiscation; and (8) demonstrating implementation of targeted financial sanctions related to PF.

The FATF expresses concern with Myanmar's limited progress with all deadlines having expired, and significant work remaining on the majority of its action plan including fundamental deficiencies that need to be addressed with respect to ML investigations and prosecutions and asset confiscation. The FATF again strongly urges Myanmar to swiftly complete its action plan by June 2022 or the FATF will decide the next steps for advising its members and jurisdictions on the AML/CFT concerns in Myanmar.

Nicaragua

In February 2020, Nicaragua made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime. Nicaragua has taken steps towards improving its AML/CFT regime, including by putting in place mechanisms to ensure that beneficial ownership information of legal persons and arrangements is maintained and obtained in a timely manner. Nicaragua should continue to work on implementing its action plan to address its remaining strategic deficiencies, including by taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes.

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

Pakistan

Since June 2018, when Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter-terrorist financing-related deficiencies, Pakistan's continued political commitment has led to significant progress across a comprehensive CFT action plan. Pakistan has completed 26 of the 27 action items in its 2018 action plan. The FATF encourages Pakistan to continue to make progress to address, as soon as possible, the one remaining item by continuing to demonstrate that TF investigations and prosecutions target senior leaders and commanders of UN designated terrorist groups.

In response to additional deficiencies later identified in Pakistan's 2019 APG Mutual Evaluation Report (MER), in June 2021, Pakistan provided further high-level commitment to address these strategic deficiencies pursuant to a new action plan that primarily focuses on combating money laundering. Since June 2021, Pakistan has taken swift steps towards improving its AML/CFT regime and completed 6 of the 7 action items ahead of any relevant deadlines expiring, including by demonstrating that it is enhancing the impact of sanctions by nominating individuals and entities for UN designation and restraining and confiscating proceeds of crime in line with Pakistan's risk profile. Pakistan should continue to work to address the one remaining item in its 2021 action plan by demonstrating a positive and sustained trend of pursuing complex ML investigations and prosecutions.

Panama

In June 2019, Panama made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime. Panama has taken steps towards improving its AML/CFT regime, including by strengthening its understanding of the ML/TF risk of legal persons, as part of the corporate sector. However, Panama should take urgent action to fully address remaining measures in its action plan as all timelines

have already expired. Panama should therefore continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) ensuring effective, proportionate, and dissuasive sanctions in response to AML/CFT violations; (2) ensuring adequate verification, of up-to-date beneficial ownership information by obliged entities and timely access by competent authorities, establishing an effective mechanisms to monitor the activities of offshore entities, assessing the existing risks of misuse of legal persons and arrangements to define and implement specific measures to prevent the misuse of nominee shareholders and directors; and (3) demonstrating its ability to investigate and prosecute ML involving foreign tax crimes and continuing to provide constructive and timely international cooperation for such offences, and continuing to focus on ML investigations in relation to high-risk areas.

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

Philippines

Since June 2021, when the Philippines made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime, the Philippines has taken steps towards improving its AML/CFT regime, including by increasing the resources of its FIU and utilising its TFS framework for TF, ahead of any relevant deadlines expiring. The Philippines should continue to work to implement its action plan, including by: (1) demonstrating that effective risk-based supervision of DNFBPs is occurring; (2) demonstrating that supervisors are using AML/CFT controls to mitigate risks associated with casino junkets; (3) implementing the new registration requirements for MVTS and applying sanctions to unregistered and illegal remittance operators; (4) enhancing and streamlining LEA access to BO information and taking steps to ensure that BO information is accurate and up-to-date; (5) demonstrating an increase in the use of financial intelligence and an increase in ML investigations and prosecutions in line with risk; (6) demonstrating an increase in the identification, investigation and prosecution of TF cases; (7) demonstrating that appropriate measures are taken with respect to the NPO sector (including unregistered NPOs) without disrupting legitimate NPO activity; and (8) enhancing the effectiveness of the targeted financial sanctions framework for both TF and PF.

Senegal

Since February 2021, when Senegal made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Senegal has taken steps towards improving its AML/CFT regime, including by providing training to the investigative and judicial authorities on the use of financial intelligence to identify and investigate ML/TF cases. Senegal should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) ensuring consistent understanding of ML/TF risks (in particular related to the DNFBP sector) across relevant authorities through training and outreach; (2) seeking MLA and other forms of international cooperation in line with its risk profile; (3) ensuring that Financial Institutions and DNFBPs are subject to adequate and effective supervision; (4) updating and maintaining comprehensive beneficial ownership information on legal persons and arrangements and strengthening the system of sanctions for violations of transparency obligations; (5) continuing to enhance the FIU's

human resources to ensure that it maintains effective operational analysis capacities; (6) demonstrating that efforts aimed at strengthening detection mechanisms and reinforcing the capability to conduct ML/predicate offences investigations and prosecutions activities are sustained consistently in line with the Senegal's risk profile; (7) establishing comprehensive and standardised policies and procedures for identifying, tracing, seizing and confiscating proceeds and instrumentalities of crime in line with its risk profile; (8) strengthening the authorities understanding of TF risks and enhancing capacity and support for LEAs and prosecutorial authorities involved in TF in line with the 2019 TF National Strategy; and (9) implementing an effective targeted financial sanctions regime related to terrorist financing and proliferation financing as well as risk-based monitoring and supervision of NPOs.

South Sudan

In June 2021, South Sudan made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. South Sudan has taken steps towards improving its AML/CFT regime, including by designating a competent authority for AML/CFT purposes. South Sudan will work to implement its action plan, including by: (1) applying and engaging with ESAAMLG for membership and committing to undergo a mutual evaluation by ESAAMLG or other assessment body; (2) conducting a comprehensive review of the AML/CFT Act (2012), with the support of international partners, including technical assistance, to comply with the FATF Standards; (3) becoming a party to and fully implementing the 1988 Vienna Convention, the 2000 Palermo Convention, and the 1999 Terrorist Financing Convention; (4) ensuring that competent authorities are suitably structured and capacitated to implement a risk-based approach to AML/CFT supervision for financial institutions; (5) developing a comprehensive legal framework to collect and verify the accuracy of beneficial ownership information for legal persons; (6) operationalising a fully functioning and independent FIU; (7) establishing and implementing the legal and institutional framework to implement targeted financial sanctions in compliance with United Nations Security Council Resolutions on terrorism and WMD proliferation financing; and (8) commencing implementation of targeted risk-based supervision/monitoring of NPOs at risk of TF abuse.

Syria

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

Turkey (Statement from October 2021)

1. In October 2021, Turkey made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in October 2019, Turkey has made progress on a number of the MER's recommended actions to improve its system, including by: promulgating an overarching national strategy for authorities in charge of combatting ML and TF; establishing a beneficial ownership registry; developing the strategic analysis capacity within the FIU; increasing the level of

seizures of smuggled cash across borders; revising sentences available for terrorist financing to ensure there is an incentive for law enforcement to investigate TF activity independently and alongside terrorism offences; and eliminating the delays in implementing targeted financial sanctions under UNSCRs related to terrorist financing and proliferation financing.

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

3. The FATF continues to monitor Turkey's oversight of the NPO sector. Turkey is urged to apply the risk-based approach to supervision of NPOs in line with the FATF Standards.

Uganda

In February 2020, Uganda made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Uganda should continue to work to implement its action plan to address its strategic deficiencies, including by: (1) seeking international cooperation in line with the country's risk profile; (2) developing and implementing risk-based supervision of FIs and DNFBPs; (3) ensuring that competent authorities have timely access to accurate basic and beneficial ownership information for legal entities; (4) demonstrating LEAs and judicial authorities apply the ML offence consistent with the identified risks; (5) establishing and implementing policies and procedures for identifying, tracing, seizing and confiscating proceeds and instrumentalities of crime; (6) demonstrating that LEAs conduct TF investigations and pursue prosecutions commensurate with Uganda's TF risk profile; (7) addressing the technical deficiencies in the legal framework to implement PF-related targeted financial sanctions; and (8) implementing a risk-based approach for supervision of its NPO sector to prevent TF abuse. The FATF continues to monitor Uganda's oversight of the NPO sector. Uganda is strongly urged to align the Terrorist Financing Risk Assessment for NPOs with the FATF Standards. This is needed to apply the risk-based approach to supervision of NPOs in line with the FATF Standards to mitigate unintended consequences.

The FATF notes Uganda's continued effort across its action plan, however a number of its action plan deadlines have expired or will soon expire. The FATF encourages Uganda to

continue to work on implementing its action plan to address the above mentioned strategic deficiencies as soon as possible.

The United Arab Emirates

In February 2022, the United Arab Emirates (UAE) made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in February 2020, the UAE has made significant progress across its MER's recommended actions to improve its system, including by finalising a TF Risk Assessment, creating an AML/CFT coordination committee, establishing an effective system to implement targeted financial sanctions without delay, and significantly improving its ability to confiscate criminal proceeds and engage in international cooperation. Additionally, the UAE addressed or largely addressed more than half of the key recommended actions from the MER.

The UAE will work to implement its FATF action plan by: (1) demonstrating through case studies and statistics a sustained increase in outbound MLA requests to help facilitate investigation of TF, ML, and high-risk predicates; (2) identifying and maintaining a shared understanding of the ML/TF risks between the different DNFBP sectors and institutions; (3) showing an increase in the number and quality of STRs filed by FIs and DNFBPs; (4) achieving a more granular understanding of the risk of abuse of legal persons and, where applicable, legal arrangements, for ML/TF; (5) providing additional resources to the FIU to strengthen its analysis function and enhance the use of financial intelligence to pursue high-risk ML threats, such as proceeds of foreign predicate offenses, trade-based ML, and third-party laundering; (6) demonstrating a sustained increase in effective investigations and prosecutions of different types of ML cases consistent with UAE's risk profile; and (7) proactively identifying and combating sanctions evasion, including by using detailed TFS guidance in sustained awareness-raising with the private sector and demonstrating a better understanding of sanctions evasion among the private sector.

Yemen

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

Jurisdictions No Longer subject to Increased Monitoring by the FATF – 4 March 2022

Zimbabwe

The FATF welcomes Zimbabwe's significant progress in improving its AML/CFT regime. Zimbabwe has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in October 2019. Zimbabwe is therefore no longer subject to the FATF's increased monitoring process.

Zimbabwe should continue to work with ESAAMLG to improve further its AML/CFT system, including by ensuring its oversight of NPOs is risk-based and in line with the FATF Standards.

Public Statement on revisions to R.24

Paris, 4 March 2022 - The Financial Action Task Force today adopted amendments to Recommendation 24 and its Interpretive Note which require countries to prevent the misuse of legal persons for money laundering or terrorist financing and to ensure that there is adequate, accurate and up-to-date information on the beneficial ownership and control of legal persons.

These amendments represent the outcomes of the two years of work in reviewing the standards. They strengthen the international standards on beneficial ownership of legal persons, to ensure greater transparency about the ultimate ownership and control of legal persons and to mitigate the risks of their misuse. This will significantly strengthen the requirements for beneficial ownership transparency globally, while retaining a degree of flexibility for individual countries to go further in refining individual regimes.

These changes respond to the significant misuse of legal persons for money laundering, terrorist financing, and also for proliferation financing in a number of jurisdictions. FATF Mutual Evaluations show a generally insufficient level of effectiveness in combating the misuse of legal persons for money laundering and terrorist financing globally, and that countries need to do more to implement the current FATF standards promptly, fully and effectively. Both the evolving money laundering risks and the widely publicised failures to prevent misuse of legal persons show that the current standards need to be updated.

These stronger standards are an important first step, but tackling the abuse of legal persons will need constructive and sustained effort by all countries to effectively implement the new standards and respond to risks.

The amendments to R24 explicitly require a multi-pronged approach, i.e. to use a combination of different mechanisms, for collection of beneficial ownership information to ensure it is available to competent authorities in a timely manner. Countries should require companies to obtain and hold adequate, accurate and up-to-date information on their own beneficial ownership and make such information available to competent authorities in a timely manner. Countries should also require beneficial ownership information to be held by a public authority or body functioning as beneficial ownership registry or may use an alternative mechanism if such a mechanism also provides efficient access to adequate, accurate and up-to-date beneficial ownership information by competent authorities. Moreover, countries should apply any additional supplementary measures that are necessary to ensure the determination of beneficial ownership of a company. These additional measures include holding beneficial ownership information obtained by regulated financial institutions and professionals, or held by regulators or in stock exchanges.

The revisions to Recommendation 24 will require countries to follow a risk-based approach and consider the risks of legal persons in their countries. They must assess and address the risk posed by legal person, not only by those created in their countries, but also by foreign-created persons which have sufficient links with their country. The changes also specify that access to information by competent authorities should be timely, and information should be adequate for identifying the beneficial owner, accurate - based on verification - and up-to-date. Furthermore, the revisions require countries to ensure that public authorities have access to beneficial ownership information of legal persons in the course of public procurement. Finally, the changes include stronger controls to prevent the misuse of bearer shares and nominee arrangements, including prohibiting the issuance of new bearer shares and bearer share warrants

and conversion or immobilisation of the existing ones, and more robust transparency requirements for nominee arrangements.

In the course of amending Recommendation 24 and its Interpretive Note, the FATF has held two rounds of public consultation to collect stakeholders' views on the key policy areas and proposals. The FATF is thankful for their significant contributions. These contributions indicated strong support for FATF's work to strengthen standards on beneficial ownership and transparency. They also highlighted the need for further Guidance to assist countries and the private sector in meeting these obligations. These responses will inform the FATF's upcoming work to immediately commence the development of comprehensive Guidance to assist countries in implementing the standards.

To facilitate countries' implementation of beneficial ownership registries, the FATF will also analyse the growing practical experience of implementing beneficial ownership registries, with a view to identifying best practices and supporting implementation by countries.

The adopted changes to Recommendation 24 will significantly strengthen the global response to tackling concealment of beneficial ownership of legal persons. The FATF will also begin the process of revising its Methodology for assessing these new obligations. The FATF is, in parallel, reviewing Recommendation 25 on beneficial ownership of legal arrangements, with a view to ensuring consistent where relevant and appropriately tailored beneficial ownership standards and smooth implementation. As part of a phased approach, the FATF will begin assessing jurisdictions for implementation of the revised requirements at the start of the next (fifth) round of mutual evaluations, to allow time to put the necessary domestic measures in place. In the meantime, the FATF will continue to work with the global network to provide the necessary technical assistance and training to help countries meet the prevalent standards, raise awareness of the new obligations, enhance understanding of registries and alternative mechanisms, and improve effectiveness of their implementation.

The FATF expects all countries to take concrete steps to implement these new standards promptly, and to determine the appropriate sequence and timeframe for implementation at national level.