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FINANCIAL ACTION TASK FORCE ON MONEY LAUNDERING

1995-1996 REPORT RELEASED

The Financial Action Task force (FATF), the independent group of major financial centre countries and regions set up in 1989 to combat money laundering, published its seventh report on 28th June 1996.

The 1995-1996 round of discussions, chaired by the United States, included the following highlights, recorded in the final report:

- the completion of the revision of its 1990 forty Recommendations. The major changes included the extension of money laundering predicate offences beyond narcotics trafficking, institution of a mandatory requirement for the reporting of suspicious transactions, the enlargement of anti-money laundering measures to cover non-financial businesses, and addressing the issues of shell corporations, controlled delivery techniques and the money laundering implications of emerging cyberpayments technologies;
- a Forum with representatives of the financial services industry to establish and maintain a dialogue with the private sector;
- a broad-ranging review of money laundering trends and techniques, together with a specific examination of the money laundering threat from the rapidly-expanding cyberpayments industry;
- contacts with countries in every continent to encourage them to join the fight against money laundering.

Commenting on the report at a press conference in Washington, D.C., following the final meeting of the 1995-1996 round, FATF President, Mr. Ronald K. Noble of the United States, said:

"Seven years after its inception, the FATF has achieved a great deal. Almost all its members have now put in place or are close to completing their anti-money laundering systems. The FATF has continued to develop significantly its knowledge of money laundering trends. In updating its forty Recommendations for combating money laundering, the FATF accomplished one of the most important tasks it has undertaken since 1990, and it showed that the Task Force has remained firm in its resolve, yet flexible in its approach, to fighting money laundering.

However, the FATF's work is far from complete. It will be confronted with several challenges in the future: increasing co-operation with the financial services industry, addressing the potential money laundering threats posed by cyberpayments technologies, and increasing the momentum of anti-money laundering efforts at the global level in co-operation with other international bodies."

Copies of the two-page summary and of the full report will be available from the OECD Communications Division.