



## **Chairman's Summary Paris Plenary, 27-29 February 2008**

**29 February 2008**

The FATF Plenary has taken new steps to protect the international financial system from abuse, agreeing to:

- Issue a statement highlighting deficiencies in the anti-money laundering / counter terrorist financing systems in **Uzbekistan, Iran, Pakistan, São Tomé & Príncipe, and Turkmenistan**; and drawing attention to the AML/CFT risks in **the northern part of Cyprus**.
- Admit **the Caribbean Financial Action Task Force as an FATF associate member**.
- Publish a comprehensive new study on **terrorist financing methods and trends**.
- Publish new **guidance to support the efforts of low capacity countries** to implement the FATF Standards.
- Conduct new joint projects and initiatives with the **private sector** in relation to the FATF standards and to AML/CFT typologies.
- Adopt evaluations of the anti-money laundering and counter terrorist-financing systems in **Canada and Singapore**.
- Hold a meeting of all **FATF Ministers** in April 2008 in Washington DC to adopt a revised mandate for the FATF, setting out future strategic priorities.

### **FATF Statement of 28 February 2008**

On 28 February 2008, the FATF Plenary released the following statement:

#### **Uzbekistan**

The FATF is particularly concerned that a series of presidential decrees in Uzbekistan has effectively repealed the anti-money laundering/combating the financing of terrorism (AML/CFT) regime in that country and generates a money laundering/financing of terrorism (ML/FT) vulnerability in the international financial system. The FATF calls upon Uzbekistan to restore its AML/CFT regime and to work with the Eurasian Group to establish an AML/CFT regime that meets international standards. The FATF calls on its members and urges all jurisdictions to advise their financial institutions to take the risk arising from the deficiencies in Uzbekistan's AML/CFT regime into account for enhanced due diligence.

#### **Iran**

Since its October 2007 Plenary meeting, the FATF has engaged with Iran and welcomes the commitment made by Iran to improve its AML/CFT regime. Consistent with its Statement on Iran, dated 11 October 2007, the FATF confirms its call to its members and urges all jurisdictions to advise their financial institutions to take the risk arising from the deficiencies in Iran's AML/CFT regime into account for enhanced due

diligence. Iran is encouraged to continue its engagement with the FATF and the international community to address, on an urgent basis, its AML/CFT deficiencies.

### **Pakistan**

The FATF notes Pakistan's recent progress in adopting AML legislation. However, financial institutions should be aware that the remaining deficiencies in Pakistan's AML/CFT system constitute a ML/FT vulnerability in the international financial system. Pakistan is urged to continue its efforts to improve its AML/CFT laws to come into closer compliance with international AML/CFT standards and to work closely with the Asia Pacific Group to achieve this.

### **Turkmenistan**

The FATF is concerned with deficiencies in the AML/CFT regime of Turkmenistan. The FATF welcomes the recent steps this jurisdiction has taken to address these concerns and calls upon Turkmenistan to continue to engage with the international community on these issues.

### **São Tomé and Príncipe**

The FATF is concerned with deficiencies in the AML/CFT regime of São Tomé & Príncipe. The FATF welcomes the recent steps this jurisdiction has taken to address these concerns and calls upon São Tomé & Príncipe to continue to engage with the international community on these issues.

### **Transactions with financial institutions operating in the northern part of Cyprus**

The FATF welcomes the recent progress in policies and practices to combat money laundering and terrorist financing in the northern part of Cyprus. However, given the existing deficiencies, the FATF calls on its members and urges all jurisdictions to advise their financial institutions to pay special attention to the ML/FT risks in transactions with financial institutions operating in the northern part of Cyprus. The FATF encourages further progress to address the deficiencies.

## **CFATF becomes an FATF associate member**

The FATF welcomed the Caribbean Financial Action Task Force (CFATF)<sup>1</sup> as the fifth associate member of the FATF. Associate membership gives the FATF-style regional bodies a greater decision-making role within the FATF.

Since its creation in 1992, the CFATF has been working with its member states to implement anti-money laundering and counter-terrorist financing measures in the Caribbean basin region<sup>2</sup>.

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<sup>1</sup> [www.cfatf.org](http://www.cfatf.org)

<sup>2</sup> The 30 members of CFATF are: Antigua & Barbuda, Anguilla, Aruba, The Bahamas, Barbados, Belize, Bermuda, The British Virgin Islands, The Cayman Islands, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Republic of Haiti, Honduras, Jamaica, Montserrat, the Netherlands Antilles, Nicaragua, Panama, St. Kitts & Nevis, St. Lucia, St. Vincent & The Grenadines, Suriname, The Turks & Caicos Islands, Trinidad & Tobago, and Venezuela.

## **Study on terrorist financing methods**

The FATF finalised a comprehensive report on terrorist financing<sup>3</sup>. This report explores the range of methods used by terrorists to move funds within and between organisations. The three main avenues for such movements are through the financial sector, by physical transportation and through the commercial trade system. Charities and alternative remittance systems have also been used to disguise movement of terrorist funds.

The study identifies four strategies which could help in further strengthening counter-terrorist financing efforts: (i) Action to address jurisdictional issues, including safe havens and failed states; (ii) Outreach to the private sector to ensure access to the information necessary to detect terrorist financing; (iii) Building a better understanding of terrorist financing across the public and private sectors; and (iv) Using financial investigation, enhanced by financial intelligence.

## **Guidance for low capacity countries**

The FATF adopted new guidance to support the full and effective implementation of the FATF Standards in low capacity countries. This guidance focuses on key implementation priorities such as co-operation, engagement, prioritisation and planning. This will contribute to the FATF's efforts to promote the global implementation of the FATF Standards.

## **Strengthening dialogue with the private sector**

Building on useful ideas raised in the private sector consultative forum, established in October 2007, the FATF will initiate a joint project with the private sector on the role of intermediaries and other third parties in performing customer due diligence. The scope for projects on other ideas, including public sector information sharing with the private sector, and the scope for applying cost/benefit analysis to AML/CFT systems, will be explored further with the private sector. In addition, joint FATF-private sector work is continuing on the risk based approach to combating money laundering and terrorist financing.

Building on the success of the first FATF-private sector meeting of experts, held in December 2007, where specific money laundering and terrorist financing methods were discussed, the FATF will in future integrate such joint work into its typologies programme wherever possible.

## **Canada and Singapore: Evaluations of anti-money laundering and counter-terrorist financing action**

The FATF discussed and adopted mutual evaluation reports assessing Canada's and Singapore's compliance with the FATF standards: the 40+9 Recommendations. Summaries of these assessments will be on the FATF website and the full reports will be released in the coming weeks.

***Sir James Sassoon***  
***President, Financial Action Task Force***

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<sup>3</sup> The report will be published shortly on the FATF website.

Notes:

1. For further information, journalists are invited to contact Helen Fisher, OECD Media Relations, (Tel: +33 1 45 24 80 97 or [helen.fisher@oecd.org](mailto:helen.fisher@oecd.org)) or the FATF Secretariat, 2, rue André-Pascal, 75775 Paris Cedex 16 (tel: +33 1 45 24 79 45, fax: +33 1 44 30 61 37, email: [contact@fatf-gafi.org](mailto:contact@fatf-gafi.org)).
2. The FATF is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. The FATF Secretariat is housed at the OECD.
3. The thirty-four members of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; Denmark; the European Commission; Finland; France; Germany; Greece; the Gulf Co-operation Council; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States.
4. India and the Republic of Korea are observer countries. The Asia Pacific Group on money laundering (APG)<sup>4</sup>, the Caribbean Financial Action Task Force (CFATF)<sup>5</sup>, the Grupo de Acción Financiera de Sudamérica (GAFISUD)<sup>6</sup>, the Middle East and North Africa Financial Action Task Force (MENAFATF)<sup>7</sup> and the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL)<sup>8</sup> are Associate Members.
5. The global network that is committed to combating money laundering and terrorist financing also includes three other regional bodies: the Eastern and South African Anti Money Laundering Group (ESAAMLG)<sup>9</sup>, the Eurasian Group on combating money laundering and financing of terrorism (EAG)<sup>10</sup> and the Groupe Inter-gouvernemental d'Action contre le Blanchiment en Afrique (GIABA)<sup>11</sup>. The Offshore Group of Banking Supervisors (OGBS)<sup>12</sup> is a part of this network as well.

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<sup>4</sup> [www.apgml.org](http://www.apgml.org)

<sup>5</sup> [www.cfatf.org](http://www.cfatf.org)

<sup>6</sup> [www.gafisud.org](http://www.gafisud.org)

<sup>7</sup> [www.menafatf.org](http://www.menafatf.org)

<sup>8</sup> [www.coe.int/moneyval](http://www.coe.int/moneyval)

<sup>9</sup> [www.esaamlg.org](http://www.esaamlg.org)

<sup>10</sup> [www.eurasiangroup.org](http://www.eurasiangroup.org)

<sup>11</sup> [www.giaba-westafrica.org](http://www.giaba-westafrica.org)

<sup>12</sup> [www.ogbs.net](http://www.ogbs.net)