



Financial Action Task Force on Money Laundering
Groupe d'action financière sur le blanchiment de capitaux



Organisation for Economic Co-operation and Development
Organisation de Coopération et de Développement Economiques

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Progress Report on Non-Cooperative Countries and Territories

The Financial Action Task Force on Money Laundering (FATF) today welcomed the significant, rapid progress made by many of the 15 jurisdictions¹ it identified last June as “non-cooperative” in the fight against money laundering. Since June, seven of the 15 non-cooperative countries or territories (NCCTs) have enacted legislation to address deficiencies identified by the FATF and several others have taken steps or made political commitments to do the same². The FATF has decided not to amend the list of NCCTs for the present but to monitor progress towards meeting international standards and addressing the deficiencies previously identified. FATF President, José Maria Roldán declared “We are generally pleased with the positive steps taken by many jurisdictions named in June as non-cooperative. It remains, however, premature to remove any from that list.”

The FATF will be assessing the progress made by these jurisdictions over the coming months to determine whether any jurisdictions should be removed from the list of NCCTs. These assessments will be done initially by the FATF review groups, including through face-to-face meetings, and will be discussed as a priority item at each Plenary of FATF. In making these assessments, the FATF will need to be satisfied as to the existence of comprehensive and effective anti-money laundering systems. Decisions to revise the list published in June 2000 will be taken in the FATF Plenary.

In deciding whether a jurisdiction should be removed from the list, the FATF Plenary must be satisfied that the jurisdiction has addressed the deficiencies previously identified. The FATF will rely on its collective judgement, and will attach particular importance to reforms in the area of criminal law, financial supervision, customer identification, suspicious activity reporting, and international co-operation. As necessary, legislation and regulations need to be enacted and have come into effect before removal from the list can be considered. In addition, the FATF will seek to ensure that the jurisdiction is implementing the necessary reforms. Thus, information related to institutional arrangements, as well as the filing of suspicious activity reports, examinations of financial institutions, and the conduct of money laundering investigations, will be considered.

¹ The fifteen jurisdictions were: Bahamas, Cayman Islands, Cook Islands, Dominica, Israel, Lebanon, Liechtenstein, Marshall Islands, Nauru, Nieuwe, Panama, Philippines, Russia, St. Kitts and Nevis and St Vincent and the Grenadines.

² See Annex.

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General Inquiries: Tel. (33) 1 45 24 97 00 - Fax. (33) 1 45 24 80 03/94 37 - **Research & Documentation:** Tel. (33) 1 45 24 80 88/80 89
www.oecd.org/media • **E-mail:** news.contact@oecd.org

Organisation for Economic Co-operation and Development, 2 rue André-Pascal, 75775 Paris Cedex 16, France • Tel. (33) 1 45 24 82 00 - Fax. (33) 1 45 24 85 00
www.oecd.org

The FATF looks forward to continuing the dialogue with the identified jurisdictions, in co-operation with FATF-style regional bodies. The FATF members also reiterate their preparedness to provide technical assistance, where appropriate, to help jurisdictions in the design and implementation of their anti-money laundering systems.

The FATF encourages each jurisdiction which has been identified as non-cooperative but which has not responded, to comprehensively revise its laws, regulations and practices to achieve an anti-money laundering regime which complies with international standards.

Should those countries or territories identified as non-cooperative maintain their detrimental rules and practices, FATF members would consider the adoption of counter-measures³.

The FATF will continue to monitor weaknesses in the global fight against money laundering. During 2000-2001, further jurisdictions will be reviewed in the context of the FATF's work on non-cooperative countries and territories.

FATF is an independent international body and its Secretariat is housed at the OECD. The twenty nine member countries and governments of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; Denmark; Finland; France; Germany; Greece; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; Singapore; Spain; Sweden; Switzerland; Turkey; the United Kingdom and the United States. Two international organisations are also members of the FATF: The European Commission and Gulf Cooperation Council.

For further information, please contact the OECD Media Relations Division, Helen Fisher, (tel. 331 45 24 80 97 or helen.fisher@oecd.org), or the FATF Secretariat, 37 bis boulevard Suchet, 75016 Paris (tel. 331 45 24 79 45 - fax: 33 1 45 24 17 60 - e-mail: fatf.contact@oecd.org).

Annex

Overview of Actions Taken by Jurisdictions since June 2000

A number of jurisdictions have taken the concrete step of enacting legislation.

- the Bahamas enacted the Money Laundering (Proceeds of Crime) (Amendment) Act 2000, the Evidence (Proceedings in other Jurisdictions) Act 2000 and the Evidence (Proceedings in other Jurisdictions) (Amendment) Act 2000, and has proposed other new or amended bills.
- the Cayman Islands has issued money laundering regulations and enacted laws amending the Monetary Authority Law and the Proceeds of Criminal Conduct Law. Amendments have also been made to its Banks and Trust Companies Law and the Companies Management Law.
- the Cook Islands enacted the Money Laundering Prevention Act on 18 August 2000.
- Israel enacted the Prohibition of Money Laundering Law, 5760-2000, on 2 August 2000.
- Liechtenstein amended its Due Diligence Act and enacted a new law on Mutual Legal Assistance in Criminal Matters, on 15 September 2000.
- Panama enacted two laws addressing money laundering on 2 October 2000 and has issued Executive Decrees to effect accompanying administrative changes.
- St. Vincent and the Grenadines enacted the International Banks (Amendment) Act, 2000 and the Confidential Relationships Preservation (International Finance) (Amendment) Act 2000 on 28 August 2000.

Other jurisdictions, specifically Dominica, the Marshall Islands, the Philippines, Russia and St. Kitts and Nevis have made a high-level political commitment or have begun processes to change laws and regulations. The FATF looks forward to the translation of these commitments and draft laws into enacted legislation.

³ The counter-measures are set out in paragraphs 49 to 54 of the February report of the FATF on Non-Cooperative Countries and Territories. This report and the June Review to identify Non-Cooperative Countries and Territories can be found at the following website address: <http://www.oecd.org/fatf>