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### ***Financial Action Task Force on Money Laundering***

#### ***Invitation to three Latin American countries to join as observers***

The Financial Action Task Force on Money Laundering (FATF)<sup>1</sup>, the world's leading anti-money laundering authority, marked its tenth anniversary this month with the announcement of invitations to three Latin American countries to join it as observers.

The invitations to Argentina, Brazil and Mexico, which will take effect at FATF's next meeting in September in Portugal, respond to a call by Ministers from FATF Member governments in 1998 for a worldwide alliance against money laundering. The invitations to Argentina, Brazil and Mexico follow a political commitment by the governments of these countries to endorse the forty FATF Recommendations, to undergo two mutual evaluations and to play an active anti-money laundering role in their regions. Full membership in the FATF will be effective upon successful completion of a first mutual evaluation.

Announcement of the invitations to the three Latin American countries was contained in FATF's tenth annual report, released in Tokyo on 2 July, on its 1998-1999 round of work under the chairmanship of Japan. Other highlights of the year's activities included the completion of a second set of mutual evaluations of anti-money laundering measures taken by FATF member countries and territories, and the launching of an important programme of work on problems raised by non-cooperative countries and territories in relation to efforts to combat money laundering.

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<sup>1</sup> The FATF, the Secretariat of which is based at the OECD in Paris, includes 28 members: 26 countries and territories (Australia; Austria; Belgium; Canada; Denmark; Finland; France; Germany; Greece; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg the Netherlands; New Zealand; Norway; Portugal; Singapore; Spain; Sweden; Switzerland; Turkey; United Kingdom; and the United States) and two international organisations (the European Commission and the Gulf Co-operation Council).

The report covers the following points:

- Since FATF's creation in 1989, the 26 FATF countries and territories have now undergone two in-depth examinations of their anti-money laundering regimes. A large majority has reached an acceptable level of compliance with the forty Recommendations for combating money laundering, which were drawn up in 1990 and revised in 1996.
- In parallel, FATF members produced a broad-ranging review of money laundering trends and techniques and have refined anti-money laundering measures in several areas, notably closing the "fiscal excuse" in the reporting of suspicious transactions.
- FATF members expressed concerns on certain legislative actions by the Government of Antigua and Barbuda in 1998 which had the effect of strengthening bank secrecy and inhibiting investigations, international co-operation and mutual legal assistance.
- In 1999-2000, following the invitation to the three Latin American countries, the Task Force will pursue the appropriate enlargement of its membership with strategically important countries from other areas of the world where it is not sufficiently represented.

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