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**FINANCIAL ACTION TASK FORCE ON MONEY LAUNDERING
CONDEMNS NEW INVESTMENT LAW IN SEYCHELLES**

PARIS -- The Financial Action Task Force (FATF), an independent group of countries and regions established to combat money laundering, said on Thursday that new provisions in the Seychelles pose a serious threat to the integrity of the world's financial systems.

The FATF, created in 1989, condemned the enactment of the Economic Development Act (EDA) in the Seychelles, and called on its members and other governments alike to bring all available pressure to bear on the Government of the Seychelles to repeal the EDA.

Under the Act, investors who place USD 10 million or more in approved investment schemes, may obtain immunity from prosecution for all criminal proceedings and also have their assets protected from compulsory acquisition or sequestration, unless the investor has committed acts of violence or drug trafficking in the Seychelles itself.

The FATF has issued forty Recommendations to combat money laundering. At a plenary meeting, applying its Recommendation 21, the FATF urged financial institutions world-wide to scrutinise closely business relations and transactions with persons, companies and financial institutions domiciled in the Seychelles. When these transactions have no apparent economic or visible lawful purpose, the institutions should, to the greatest extent possible, provide all available assistance to authorities investigating such persons.

"The clear design of the Seychelles law is to attract capital by permitting international criminal enterprises to shelter both themselves and their illicitly-gained wealth from pursuit by legal authorities," said the President of the FATF, Mr. Ronald K. Noble, US Treasury Under Secretary for Enforcement.

"Drug traffickers and other criminals can enjoy the spoils of their illegal activities secure in the knowledge that the Seychelles authorities will protect them. This poses a grave threat to efforts to combat money laundering and maintain the integrity of the world's financial systems."

Members of the Financial Action Task Force, which is based at the OECD, are: Australia, Austria, Belgium, Canada, Denmark, European Commission, Finland, France, Germany, Greece, Gulf Cooperation Council, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Kingdom of the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States.

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