

Paris, 4 June 1991

**Financial Action Task Force
on Money Laundering (FATF)**

Press Communiqué

The Finance Ministers and other competent ministers, of the countries, territories and organisations of the Financial Action Task Force on money laundering (1), the FATF, which is chaired by France have held consultations, to assess recent progress in the fight against money laundering and to discuss future priorities in this field.

The extension of the group to Denmark, Finland, Greece, Hong Kong, Ireland, New Zealand, Norway, Portugal and Turkey, was welcomed as a sign of a growing international co-operative effort against money laundering. Ministers renewed their endorsement of the forty recommendations of the FATF published in 1990, and their commitment to implement them as soon as possible.

Ministers approved the report of FATF-2 of 13th May, which will be made public.

In particular, they considered as a key element the process of mutual assessment on the implementation of the recommendations that has been established by the FATF. This process will be refined and strengthened in the future. Each member will be subject to this assessment three years after its endorsement of the April 1990 FATF-1 recommendations, and summaries of assessment reports, concerning individual countries, will be made public. They noted that progress has already been made towards implementation of the recommendations. Several FATF members have taken the measures to implement them, while most other members will do so in the very near future.

The ministers underscored that a worldwide mobilisation effort, on the basis of the recommendations of the FATF, was necessary to ensure the success of the fight against money laundering. They welcomed the actions that have been taken in this regard by the group: invitation to major financial centres to join the FATF, direct contacts with other financial centres to urge and help them to implement the FATF programme, mobilisation of other countries or territories on the basis of regional meetings which have been organised with African, Latin American, Asian, Caribbean and Central and Eastern European countries and territories. These efforts will have to be pursued and strengthened. Ministers invited Singapore and the Gulf Co-operation Council on behalf of its members to endorse the recommendations of the FATF, and thus to qualify for membership.

Ministers underlined that the laundering of money generated by major criminal activities, in particular drug trafficking, creates uncertainty for the reliability of financial institutions, and that, as money laundering channels can be displaced very rapidly, every country or territory is potentially exposed to this threat. Hence, preventing money laundering is in the interest of all countries or territories. Ministers discussed ways to facilitate further a worldwide implementation of the FATF programme. Technical assistance

will have to be strengthened. Measures towards countries or territories refusing to co-operate were discussed.

Ministers approved the proposals of the FATF-2 report as regards the follow-up to the group. They decided that the group would continue for the next three years to conduct four tasks: (1) self-reporting and mutual assessment on the adoption and implementation of FATF recommendations by all members; (2) co-ordination and oversight of efforts to encourage non-members to adopt and implement the recommendations; (3) making further recommendations and evaluations of counter-measures while serving as a forum for considering developments in money laundering techniques domestically and worldwide, and for the exchange of information on enforcement techniques to combat money laundering; and (4) standing ready to facilitate day to day co-operation between organisations concerned with combating money laundering and between individual countries or territories, in particular as regards investigations.

Switzerland was invited to take on the presidency of FATF-3 for a one year period and accepted this invitation. Australia has been asked to take on the presidency immediately after Switzerland and for a one year period, and has also accepted. OECD will be asked to support the presidency by a secretariat within the Organisation, to be funded by FATF countries, using as a reference, for OECD Members, the regular contribution rules to this organisation.

Notes

1. Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxemburg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States of America and the Commission of the European Communities.