

FATF



# FATF Business Bulletin



FATF President, Dr. Marcus Pleyer, chairs his first FATF Plenary and issues new Statement on COVID-19, p.1



FATF revises its Standards on proliferation financing and begins developing Guidance, p.1



Iceland and Mongolia are no longer subject to the FATF's increased monitoring process, p.1

## Outcomes of the October 2020 virtual FATF Plenary

Criminals continue to exploit the pandemic, with mounting cases across the globe of counterfeiting of medical goods, investment fraud, adapted cyber-crime scams and exploitation of economic stimulus measures. It remains critical that jurisdictions continue to actively identify, assess, and understand how criminals and terrorists can exploit the COVID-19 pandemic. See the new FATF President's [Statement](#) on COVID-19.



Click [here](#) for all October 2020 Plenary outcomes.

### Strategic Initiatives



- ▶ **FATF revised its Standards on proliferation financing**, requiring countries, financial institutions and DNFBPs to identify and assess the risks of potential breaches, non-implementation or evasion of targeted financial sanctions, and mitigate any risks. The FATF encourages implementation of the new requirements in a manner that is consistent with financial inclusion objectives and application of measures proportionate to the risk of the relevant institutions. The FATF is now working on Guidance for countries and the private sector on proliferation financing risk assessment and mitigation.
- ▶ **Strengthening the Global Network** to improve global implementation of the FATF Standards.

## Jurisdictions under Increased Monitoring

The FATF identifies jurisdictions with strategic AML/CFT deficiencies in public documents issued three times a year:

- **High-Risk Jurisdictions subject to a Call for Action** (unchanged from February 2020)
- **Jurisdictions under increased monitoring**
  - **Iceland and Mongolia** made significant progress in addressing their strategic AML/CFT deficiencies and are **no longer subject to the FATF's increased monitoring process**.
  - **Eight jurisdictions** have new updates detailing progress made and actions that remain necessary.

## Follow-up Process

### ***Iceland achieved technical compliance re-ratings***

- The Plenary discussed the progress that Iceland has made since its mutual evaluation report was adopted (in 2018).
- The Plenary agreed to re-rate a number of FATF Recommendations to reflect the country's current level of technical compliance. Click [here](#) to read Iceland's second follow-up report.



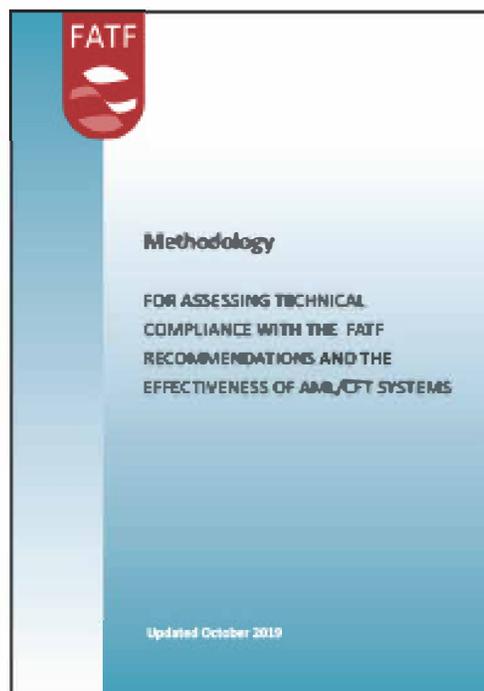
## Update on the Mutual Evaluation Process

The FATF is committed to carrying out its work of assessing the effective implementation of its Standards. The FATF will continue conducting FATF mutual evaluations using a flexible approach, when crisis response measures limit or impede travel. The FATF agreed to objective criteria and procedures for handling mutual evaluations in a fair and consistent way while maintaining the quality of each assessment at a high standard.

Click [here](#) to access the Global Assessment calendar for the schedule of all upcoming assessments.

## Latest Overview on Assessments Conducted by FATF and FATF-style Regional Bodies (FSRB)

Click [here](#) for the latest overview of the ratings that assessed countries obtained for effectiveness and technical compliance as a result of mutual evaluation and follow-up actions (last updated on 18 November 2020). These should be read in conjunction with the detailed mutual evaluation and follow-up reports, which are available on the [FATF public website](#).





Published in September 2020, based on more than 100 case studies collected by members of the FATF Global Network, this **report** highlights the most important red flag indicators that could suggest criminal behaviour. This report gives Virtual Assets Service Providers (VASPs) and other compliance staff better information on what to look out for when they are monitoring virtual asset transactions. Key indicators in this report focus on:

- ▶ Technological features that increase anonymity - such as the use of peer-to-peer exchanges websites, mixing or tumbling services
- ▶ Geographical risks - criminals can exploit countries with weak, or absent, national measures for virtual assets
- ▶ Transaction patterns - that are irregular or which suggest criminal activity
- ▶ Transaction size
- ▶ Sender or recipient profiles - unusual behaviour can suggest criminal activity
- ▶ Source of funds or wealth

A sector-specific summary version for VASPs can be found [here](#) and financial and non-financial sectors can be found [here](#).

## Outreach and Upcoming Events

**Digital Transformation** is a new FATF priority. Two studies are underway:

- *Opportunities and Challenges of New Technologies* for AML/CFT, to highlight best practices or challenges in deploying new AML/CFT technologies.
- *Data Pooling, Analysis and Data Protection*, to explore the use of new technologies to share/pool/exchange information amongst financial institutions for AML/CFT.

**An online survey is open until 7 December 2020** -- The FATF wants to hear from you!

**Enhancing cross-border payments** is a priority for the G20 and divergent implementation of AML/CFT measures could be a challenge. The FATF is interested in hearing from banks, Fintech companies, money or value transfer services providers and other stakeholders on identifying opportunities for further harmonisation of AML/CFT requirements, without compromising AML/CFT safeguards.

**An online survey tool will be launched in the first week of December to facilitate your participation in the survey.** We welcome your contributions.



**Stay tuned for upcoming webinars and events:**

- *Stakeholders Engagement Session on Beneficial Ownership of Legal Persons, 24 Nov. 12pm-2pm (CET)*
- *Webinar on technology-enabled CDD (date to be confirmed)*

For more details on the work of the FATF, please refer to the official [website](#).

If you wish to contact us, see [here](#)