

## **Outcomes of the Plenary Meeting of the FATF, Paris, 17-19 October 2012**

*Paris, 19 October 2012* - Under the Norwegian Presidency, the first FATF Plenary meeting of FATF-XXIV was held in Paris on 17-19 October 2012.

### **FATF Decisions**

The FATF took important new steps to protect the international financial system from abuse by, amongst others:

- Producing two public documents as part of its ongoing work to identify jurisdictions that may pose a risk to the international financial system:
  - [FATF Public Statement](#) on jurisdictions with strategic anti-money laundering and combating the financing of terrorism (AML/CFT) deficiencies.
  - [Improving Global AML/CFT Compliance: on-going process](#) - Jurisdictions with strategic AML/CFT deficiencies for which they have developed an action plan with the FATF.
- Receiving an update on progress made by **Trinidad and Tobago**.
- Issuing a statement on **Turkey**, including a decision to suspend Turkish membership on 22 February 2013 unless adequate counter-terrorist financing legislation is enacted.
- Issuing an update on Progress made by **Argentina**.
- Reviewing the voluntary tax compliance programme in **Curaçao**.
- Updating the Best Practices Paper on **Confiscation and Asset Recovery** (Recommendations 4 and 38).
- Updating the Best Practices Paper on **Managing the Anti-Money Laundering and Counter-Terrorist Financing Policy Implications of Voluntary Tax Compliance Programmes**.
- Revising the Reference Guide and information note on the use of the **FATF Recommendations to support the fight against corruption**.
- Publishing the APG report on **Trade Based Money Laundering**.

### **AML/CFT Improvements in Trinidad and Tobago**

The FATF welcomes Trinidad and Tobago's significant progress in improving its AML/CFT regime and notes that Trinidad and Tobago has established the legal and regulatory framework to meet its commitments in its Action Plan regarding the strategic deficiencies that the FATF had identified in February 2010. Trinidad and Tobago is therefore no longer subject to FATF's monitoring process under its on-going global AML/CFT compliance process. Trinidad and Tobago will work with CFATF as it continues to address the full range of AML/CFT issues identified in its Mutual Evaluation Report.

## **STATEMENT ON TURKEY**

The Financial Action Task Force (FATF), the international standard-setter for combating money laundering, the financing of terrorism and proliferation of weapons of mass destruction, is deeply concerned by Turkey's continued failure to take action to fully criminalise terrorist financing and establish an adequate legal framework for identifying and freezing terrorist assets consistent with the FATF Recommendations.

The third mutual evaluation report assessing Turkey's compliance with the FATF Recommendations was adopted in February 2007. It highlighted serious deficiencies in the area of money laundering and terrorist financing. Since then Turkey has taken significant action in order to remedy some deficiencies and improve its anti-money laundering regime. However, over five years after the adoption of the evaluation report and despite the close and constant monitoring and a series of graduated measures taken by the FATF, no remedial action has been taken to improve Turkey's counter terrorist financing regime.

An appropriate response by the FATF to the continued failure of one of its members to live up to its commitment to address serious deficiencies identified in a mutual evaluation is to consider suspension of membership. In June the FATF decided that it would initiate discussions on suspending Turkey's membership if adequate legislation were not adopted by October 2012. As of this date, Turkey has still not taken necessary action; therefore, the FATF has decided to suspend Turkey's membership on 22 February 2013 unless the following conditions are met before that date:

1. Turkey adopts legislation to remedy deficiencies in its terrorist financing offence
2. Turkey establishes a legal framework for identifying and freezing terrorist assets consistent with the FATF Recommendations.

The FATF looks forward to these conditions being met by Turkey so that the coming into force of the suspension can be avoided.

## **Update on progress made by Argentina**

The FATF welcomed the continued progress made by Argentina and the substantial steps taken in addressing its AML/CFT deficiencies identified in the mutual evaluation in October 2010, in particular applying in practice the Presidential Decree to freeze terrorist-related assets. The FATF will continue to work with Argentina in the follow-up process and urges Argentina to continue addressing its remaining AML/CFT deficiencies.

## **Voluntary tax compliance (VTC) programmes**

The FATF heard an updated report on the VTC programme of Curaçao. Based on the additional materials and clarifications provided by the country, the FATF decided to take no further action at this point, as the programme is found to have no particular elements that breach the FATF's four basic principles on VTC.

### **Updating the Best Practices Paper on Confiscation and Asset Recovery (Recommendations 4 and 38)**

The FATF has updated the Best Practice Paper on Confiscation and Asset recovery to bring it in line with the revised FATF Recommendations. The paper aims to assist countries in their implementation of Recommendations 4 and 38, to address impediments to effective confiscation, and to set out a framework for ongoing work on asset recovery in the international context. The Best Practice Paper was originally adopted in February 2010 and has proven to be a useful tool for practitioners.

Refer to the link below for a copy of the report.

<http://www.fatf-gafi.org/topics/fatfrecommendations/documents/bestpracticesonconfiscationrecommendations4and38andframeworkforongoingworkonassetrecovery.html>

### **Updating the Best Practices Paper on Managing the Anti-Money Laundering and Counter-Terrorist Financing Policy Implications of Voluntary Tax Compliance Programmes.**

This Best Practices Paper was originally published in 2010, and has now been updated to bring it in line with the revised FATF Recommendations. The purpose of this Best Practices Paper is to set out best practices, based on the four principles on voluntary tax compliance, to assist countries in ensuring that their VTC programmes do not impede the effective implementation of AML/CFT measures. In particular, it clarifies the application of the four basic principles on voluntary tax compliance since tax crimes became a predicate offence to money laundering, with the adoption of the 2012 FATF Recommendations.

Refer to link below for a copy of the report.

<http://www.fatf-gafi.org/topics/fatfrecommendations/documents/bestpracticesmanagingtheanti-moneylaunderingandcounter-terroristfinancingpolicyimplicationsofvoluntarytaxcomplianceprogrammes.html>

### **Revising the Reference Guide and Information Note on the use of the FATF Recommendations to support the fight against Corruption.**

The Reference Guide and Information Note on the use of the FATF Recommendations to support the fight against Corruption, was originally published in October 2010 to raise public awareness of how the FATF Recommendations, when effectively implemented, help to combat corruption. The FATF has updated this guidance to make it consistent with the revised FATF Recommendations which were adopted in February 2012.

Refer to link below for a copy of the reference guide and information note.

<http://www.fatf-gafi.org/topics/corruption/documents/theuseofthefatfrecommendationstosupportthefightagainstcorruption.html>

### **Publishing the APG report on Trade Based Money Laundering**

The FATF noted and has published the report by the Asia Pacific Group on Money Laundering (APG) on trade based money laundering (TBML), which builds on the 2006 FATF report on TBML. The APG report studies the extent of prevalence of TBML and highlights methods, techniques and modus operandi for TBML and identifies red flags to detect and respond to TBML (document to be published shortly).

Refer to the link below for the full report on the outcomes of the Plenary meeting:

<http://www.fatf-gafi.org/documents/documents/outcomesofthepenarymeetingofthefatfparis17-19october2012.html>