

Outcomes of the Plenary meeting of the FATF, Rome, 20-22 June 2012

Rome, 22 June 2012 - Under the Italian Presidency, the third FATF Plenary meeting of FATF-XXIII was held in Rome on 20-22 June 2012.

FATF Decisions

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

- 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 **Argentina** and **Turkmenistan**
- Calling on **Turkey** to enact adequate counter terrorist financing legislation
- Reviewing the voluntary tax compliance programmes in **Spain, Pakistan and Curaçao**
- Publishing three reports which outline new methods and trends in money laundering and terrorist financing:
 - **Operational Issues – Financial investigations Guidance**
 - **Specific Risk Factors in Laundering the Proceeds of Corruption**
 - **Illicit Tobacco Trade**
- Welcoming the **Anti-Money Laundering Liaison Committee of the Franc Zone (CLAB)** as an observer to the FATF
- **FATF Global Network**

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 the new Presidential Decree creating a framework for freezing of terrorist-related assets. The FATF will continue to work with Argentina in the follow-up process and encourages Argentina to continue addressing its remaining AML/CFT deficiencies.

AML/CFT improvements in Turkmenistan

The FATF welcomes Turkmenistan's significant progress in improving its AML/CFT regime and notes that Turkmenistan has largely met its commitments in its Action Plan regarding the strategic deficiencies that the FATF had identified. Turkmenistan is therefore no longer subject to FATF's

monitoring process under its on-going global AML/CFT compliance process. Turkmenistan will work with EAG as it continues to address the full range of AML/CFT issues identified in its Mutual Evaluation Report, and further strengthen its AML/CFT regime.

FATF calls on Turkey to enact adequate counter terrorist financing legislation

As a member of the FATF, Turkey has committed to implement the FATF standards. Since its mutual evaluation report in February 2007, Turkey has taken a number of steps toward improving its AML/CFT regime. However, thus far, Turkey has failed to do so in two important areas, namely criminalisation of terrorist financing and establishing a legal framework for identifying and freezing terrorist assets. A delegation led by the FATF President travelled to Turkey in May 2012 to convey the concerns of the FATF to relevant Ministers, representatives of the Turkish Grand National Assembly and other officials. The FATF now calls on Turkey to fulfil its FATF membership commitment by enacting counter terrorist financing legislation that adequately addresses these shortcomings. If adequate counter terrorist financing legislation has not been enacted by October 2012, the FATF will initiate discussions on Turkey's membership in the FATF.

Voluntary tax compliance (VTC) programmes

The FATF heard reports on the VTC programmes of three jurisdictions: Spain, Pakistan and Curaçao. The FATF decided to take no further action in relation to Spain and Pakistan, as their programmes were found to be consistent with the FATF's four basic principles on VTC. There are initial concerns about the potential impact of the VTC programme in Curaçao on the effective application of AML/CFT measures. Curaçao committed to ensuring that its VTC programme is consistent with the four basic principles, and providing the FATF with additional information and clarifications. The FATF will decide at its next Plenary whether further action should be taken in relation to Curaçao.

Engagement with members of the FATF Global Network

The FATF is committed to promoting effective global implementation of the revised FATF Recommendations. As part of this commitment, the FATF is working closely with FATF-style regional bodies (FSRBs) to move toward more harmonisation in the application of FATF and FSRB processes. During the Rome Plenary, the FATF President met with the Presidents of the FSRBs in what has now become an annual "summit" of the members of the FATF Global Network. This year's meeting provided an opportunity for high-level global co-ordination among Network members on the strategy for achieving greater consistency in the evaluations that will be carried out by the FATF and the FSRBs in the next round of mutual evaluations.

The full statement can be accessed at:

<http://www.fatf-gafi.org/documents/repository/outcomesoftheplenarymeetingofthefatfrome20-22june2012.html>