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FATF will explore the symbiotic relationship among corruption, money laundering and terrorist financing

Over 400 delegates from 32 jurisdictions and 16 international organisations attended the FATF Plenary meeting held in Paris on 12-14 October. Professor Kader Asmal, of the Republic of South Africa assumed the chairmanship of the Financial Action Task Force (FATF). He noted that his country is one of the newest members of the organisation, having joined the FATF in June 2003. "I am proud to lead this organisation. This demonstrates the strong commitment of African countries to take a role in combating the scourges of international crime."

At this meeting, the FATF also launched an ambitious project, in partnership with the Asia/Pacific Group on Money Laundering to explore the symbiotic relationship among corruption, money laundering and terrorist financing and how the FATF's AML/CFT experience can best be used to combat these combined threats.

The FATF also welcomed the United Nations Security Council Resolution 1617 (2005), which "strongly urges all Member States to implement the comprehensive, international standards" embodied in the FATF Forty Recommendations on money laundering and the Nine Special Recommendations on terrorist financing. The formal endorsement of the FATF standards by the UN Security Council is a major step toward effective implementation of the Recommendations throughout the world.

At this meeting, the FATF reviewed the anti-money laundering and counter-terrorist financing systems of three countries: Australia, Italy and Switzerland. Preliminary outcomes of the third round of mutual evaluations show that while FATF members are making very serious efforts to implement the new standards, effective implementation will take further effort. Therefore, the FATF will continue to closely monitor the progress of all its members.

"We must continue to strengthen partnerships around the world if we are to win this war against money laundering and terrorist financing" Prof. Asmal said. To achieve that goal, the FATF decided to further enhance its partnerships with regional bodies to improve the effectiveness of the global network against money laundering and terrorist financing. In this spirit, the FATF will invite the members of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) to participate in a joint session with the FATF at its next Plenary meeting to be held in February 2006 in Cape Town. South Africa is a member of both organisations.

FATF members will also join with members of GAFISUD, the South American regional body, in November to study emerging threats in the areas of new payment technologies, the use of corporate vehicles and trade-based money laundering.

The FATF removed Nauru from its list of non-cooperative countries and territories (NCCTs) after Nauru abolished its 400 shell banks, thus removing the major money laundering risk. Though Myanmar and Nigeria remain on the list of NCCTs, the FATF recognised that they have adopted many necessary legal reforms and encouraged further implementation. In the meantime, the FATF continues to call on financial institutions to scrutinise transactions with persons, businesses, or banks in these countries, as per Recommendation 21.

Notes to editors:

1. For further information, journalists are invited to contact Helen Fisher, OECD Media Relations (tel.: +33 1 45 24 80 97 or helen.fisher@oecd.org) or the FATF Secretariat, 2, rue André-Pascal, 75775 Paris Cedex 16 (tel: +33 1 45 24 79 45, fax: +33 1 44 30 61 37 or email: contact@fatf-gafi.org).

2. Further information about the FATF, its efforts to combat money laundering and terrorist financing, and the current list of non-cooperative countries and territories can be found at <http://www.fatf-gafi.org>.

3. The FATF is an inter-governmental body whose purpose is to develop and promote policies, both at national and international levels, to combat money laundering and terrorist financing. The FATF Secretariat is housed at the OECD. The thirty-one member jurisdictions of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; Denmark; Finland; France; Germany; Greece; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States. The European Commission and the Gulf Co-operation Council are also FATF members. In addition, the People's Republic of China is an observer. The global network that is committed to combating money laundering and terrorist financing includes the seven FATF-style regional bodies: Asia/Pacific Group, the Caribbean Financial Action Task Force, ESAAMLG, EAG, GAFISUD and MENAFATF and Moneyval. The Offshore Group of Banking Supervisors is also part of this network.