

# U.S. Concludes Successful Term as President of the Financial Action Task Force (FATF)



June 21, 2019

**Orlando** – Today, U.S. Department of the Treasury Secretary Steven T. Mnuchin delivered closing remarks at the Plenary meeting of the Financial Action Task Force (FATF) in Orlando, Florida. The Plenary marked the historic 30-year anniversary of the FATF, and the final Plenary of the U.S. Presidency. Under Treasury’s Assistant Secretary for Terrorist Financing Marshall Billingslea’s leadership as President, the FATF achieved critical advances in the fight to combat illicit finance.

“Under the U.S. Presidency, the FATF has tackled several of the world’s most pressing money laundering, terrorist financing, and proliferation financing challenges,” said Secretary Mnuchin. “The FATF broke historic ground this week by requiring all countries to regulate and supervise virtual asset financial activities and related service providers. Further, the FATF responded to Iran’s willful failure to address its systemic money laundering and terrorist financing deficiencies by requiring increased supervisory examination for branches and subsidiaries of financial institutions based in Iran and calling for additional counter-measures to be re-imposed if Iran does not make further progress.”

During this Plenary, the FATF clarified how its international anti-money laundering and countering the financing of terrorism (AML/CFT) and proliferation financing standards apply in the context of virtual assets. The FATF agreed on binding measures for how all jurisdictions must regulate and supervise virtual asset financial activities and virtual asset service providers. FATF members also welcomed the adoption of UNSC Resolution 2462 that encapsulates the FATF’s standard on criminalizing terrorist financing as international law and demonstrates the importance of FATF leadership. The FATF also adopted this week its ninth update on the financing of ISIL, al-Qa’ida and affiliate groups for confidential circulation in order to assist countries around the world in their efforts to take swift and coordinated actions to combat the financing of these terrorist groups and affiliates. Under the U.S. Presidency, the FATF trained 160 prosecutors and judges from around the world on techniques to more effectively investigate and prosecute terrorist financing. The FATF also agreed to pursue further work to enhance its

standards with respect to domestic cooperation and coordination on proliferation financing, and also to institute new requirements related to risk assessment for proliferation financing.

This week, the FATF reaffirmed its concern with the terrorist financing risk emanating from Iran and the threat it poses to the international financial system, and instituted a requirement for all jurisdictions to undertake increased supervisory examination for branches and subsidiaries of financial institutions based in Iran. The FATF reaffirmed that it will continue to monitor Iran's Action Plan, and has warned that if by October 2019, Iran does not ratify the Palermo and Terrorist Financing Conventions in line with the FATF standards, then the FATF will re-impose select additional counter-measures on Iran. The Plenary also reaffirmed that North Korea continues to pose an ongoing money laundering and terrorist financing risk to the international financial system and calls on all countries to apply countermeasures to protect their financial sectors from the risks emanating from the North Korea.

The FATF agreed to admit Saudi Arabia as its newest member, with its accession taking place at the next FATF plenary in October 2019, and the United States looks forward to Saudi Arabia's active participation and contributions toward advancing FATF's goals.

Finally, as part of the FATF's ongoing work to improve global efforts to combat money laundering, terrorist financing, and proliferation financing, the Plenary identified countries that are working with the FATF to implement an Action Plan and strengthen their domestic frameworks. The Plenary also adopted the Mutual Evaluation Reports of Hong Kong and Greece, representing the culmination of a peer review by FATF members to assess both jurisdictions' AML/CFT and counter-proliferation financing legal frameworks as well as the measures in place to implement these frameworks effectively.

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