

# Financial Action Task Force (FATF) Reiterates Terror Finance Risks in Iran, Clarifies “Stablecoin” Guidance, Issues AML/CFT Reports

October 18, 2019

*The U.S. commends FATF’s ongoing efforts to protect international financial system*

**Paris** – Today the Financial Action Task Force (FATF) concluded its 31st plenary meeting with a [public statement](#) that, among other things, reiterates terrorist financing risks emanating from Iran. The FATF also clarified guidance on “stablecoins” and adopted virtual assets changes, among other reports related to anti-money laundering/countering the financing of terrorism (AML/CFT).

“For more than three years, Iran has repeated empty promises to the international community to stop financing terrorism and fix its corrupt and opaque financial system,” said Marshall Billingslea, Treasury Assistant Secretary for Terrorist Financing and Financial Crimes. “The Financial Action Task Force has determined that enough is enough. More countermeasures on Iran are now in force, and countries will be called upon to impose further financial restrictions to protect the international financial system if Iran hasn’t ratified and fully implemented the key treaties related to fighting money laundering and terrorist financing.”

## FATF RE-IMPOSES SEVERAL COUNTER-MEASURES ON IRAN

The FATF re-imposed several counter-measures on Iran designed to protect the international financial system from abuse, and committed to continue monitoring Iran’s Action Plan. It also warned that by February 2020, Iran must ratify the Palermo and Terrorist Financing Conventions in line with FATF standards or the FATF will fully lift the suspension of countermeasures.

## FATF CLARIFIES GUIDANCE ON “STABLECOINS” AND VIRTUAL ASSETS

As a follow-up to the groundbreaking changes to FATF standards regarding virtual assets adopted under the U.S. Presidency (July 2018 – June 2019), the FATF today also adopted changes to its methodology that specify how countries and covered entities will be assessed for their compliance with the relevant recommendations. These changes apply immediately to all future assessments as well as follow-up reports for countries that have already undergone an assessment. The FATF also issued a [public statement](#) clarifying that the FATF standards apply to “stablecoins” and their service providers. The FATF is actively monitoring emerging digital assets and agreed to examine their characteristics and risks, and consider further clarifications on how the FATF standards apply to global “stablecoins” and their service providers.

## **FATF UPDATES REPORT ON ISIL AND AL-QAEDA**

To assist FATF members and the FATF global network in combating ISIL and Al-Qaeda financing, the FATF also adopted its eleventh non-public update on the financing of ISIL/Daesh, Al-Qaeda and affiliate groups. This report details the evolving financial relationship between remaining Daesh leadership in Iraq and Syria and its affiliate groups, as well as how Daesh continues to exploit poorly supervised and unregistered money transmitters to move funds to finance its terrorism around the world.

## **IDENTIFYING COUNTRIES WITH STRATEGIC AML/CFT DEFICIENCIES**

The FATF also called on all countries to apply countermeasures on North Korea due to the ongoing money laundering, terrorist financing, and weapons of mass destruction proliferation financing risks to the international financial system. In addition, the Plenary [identified](#) countries that are working with the FATF to implement an Action Plan and strengthen their domestic frameworks. FinCEN will release an advisory updating financial institutions to the FATF list of jurisdictions with strategic AML/CFT deficiencies.

## **ADOPTION OF MUTUAL EVALUATION REPORTS OF RUSSIA AND TURKEY**

The Mutual Evaluation Reports of Russia and Turkey were also adopted and will be published on the FATF website by the end of the year, 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.

## Outcomes of the FATF Plenary, 16-18 October 2019.

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