WASHINGTON – Today, the Financial Action Task Force (FATF), the international standard-setting body on illicit finance, suspended the Russian Federation from its membership. This is the first time in the FATF’s 34-year history that the body has taken such unprecedented action, a step warranted by Russia’s unlawful, immoral, and unprovoked war against Ukraine.

FATF members lead the global effort on combatting money laundering and the financing of terrorism and proliferation and members are expected to uphold and promote core principles that safeguard the global financial system. Russia’s ongoing war undermines the principles of international cooperation and mutual respect that underpin the mandate of the FATF.

In its public statement, the FATF expressed growing concern over reports of arms trade by Russia with United Nations sanctioned countries and malicious cyber-activities emanating from Russia. The FATF advises that jurisdictions remain vigilant of threats to their financial system arising from Russia’s war against Ukraine.

“The United States commends the FATF’s historic decision to suspend Russia’s membership in the body,” said Secretary of the Treasury Janet L. Yellen. “Russia’s disregard for the sovereignty and territorial integrity of Ukraine is at odds with the FATF’s foundational values of international cooperation and the rule of law. Further, Russia’s dealings with suppliers of last resort such as Iran and North Korea, its government-driven efforts to evade international sanctions and export controls, and other activities like harboring cybercriminals or the Wagner Group make it a haven for illicit finance – the very thing the FATF works to combat.”

At this week’s plenary, the FATF also approved an updated standard on legal arrangements such as trusts as well as new guidance on beneficial ownership transparency of companies to stop their misuse by criminals. The FATF adopted its first-ever report on ransomware that urges countries to take immediate steps to identify and disrupt ransomware finance and to implement the FATF standards for virtual assets as soon as possible. In addition, the FATF adopted the Mutual Evaluation Reports of Indonesia and Qatar.
Outcomes of the FATF Plenary, 24 February 2023

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