FATF • GAFI

Financial Action Task Force on Money Laundering
Groupe d'Action Financière sur le Blanchiment de Capitaux

Paris, 14 February 2003

FATF withdraws counter-measures with respect to Ukraine and decides on date for counter-measures to Philippines

As a result of the implementation of significant reforms to its anti-money laundering system, Grenada was removed from the Financial Action Task Force (FATF) list of Non-Cooperative Countries and Territories (NCCTs). FATF will continue to monitor the implementation of Grenada's anti-money laundering system.

FATF members have decided to withdraw the application of additional counter-measures with respect to Ukraine as a result of the recent enactment by Ukraine of comprehensive anti-money laundering legislation that addresses the main deficiencies identified by the FATF in 2001 and reaffirmed in December 2002. However, Ukraine will remain on the list of NCCTS until it has implemented effectively its new anti-money laundering legislation. FATF President, Jochen Sanio, said: "This is a significant success for the FATF and Ukraine in the fight against money laundering. Close monitoring of implementation issues will be crucial in determining an appropriate time for Ukraine's removal from the NCCT list."

FATF has taken the serious step of recommending that its members impose additional counter-measures against Philippines due to the failure of the Philippines to enact legislation to address previously identified deficiencies in their anti-money laundering regime. The FATF calls upon the Philippines Government to enact the appropriate legislative amendments by 15 March 2003. Failure would lead to counter-measures to the Philippines as of that date. FATF will continue to monitor ongoing legislative development within that time.

The current list of NCCTs is as follows: **Cook Islands, Egypt, Guatemala, Indonesia, Myanmar, Nauru, Nigeria, Philippines, St. Vincent and the Grenadines, and Ukraine**. Accordingly, the FATF calls on its members to update their advisories requesting that their financial institutions give special attention to businesses and transactions with persons, including companies and financial institutions, in listed countries or territories, to take into account the changes in the list. The FATF will review again the situation of each NCCT at its next Plenary meeting on 18-20 June 2003.

In November 2002, the FATF Typologies experts group met in Rome. The report of this meeting outlines current trends and emerging threats. In particular this year's report identified problems related to terrorist financing schemes, notably the misuse of non-profit organisations and informal money or value funds transfer systems (such as hawala, hundi, fei-chien and the black market peso exchange). The report also highlighted the money laundering vulnerabilities in the securities sector; and the links between the diamond, gold and precious metals trade and money laundering and terrorist financing.[1]

The FATF continues to take further steps to counter the financing of terrorism in developing guidance to implement the Eight Special Recommendations. The FATF issued an interpretative note on Special

[1] The 2002/2003 typologies report is available at the FATF website at: http://www.fatf-gafi.org/FATDocs_en.htm#Trends

Recommendation VI to prevent informal transfer systems and funds from being misused by terrorists. It also issued an interpretative note on FATF Special Recommendation VII which focuses on the abuse of wire transfers by terrorists and their financiers.[2] The FATF also pursues its global self-assessment exercise to ensure world-wide acceptance and implementation of the 8 Special Recommendations. FATF urges all countries in the world to participate in the self-assessment exercise on terrorist financing and to provide the relevant information to the FATF. In this respect, the FATF will also continue to work in close co-operation with the United Nations Security Council Counter-Terrorism Committee.

FATF is also pleased to announce that in the context of its collaboration with the International Monetary Fund (IMF) and the World Bank to assess anti-money laundering and counter terrorist financing measures, FATF will carry out six mutual evaluations in the coming months using the agreed common methodology before the end of 2003. The FATF in this context looks forward to the outcome of the use of this methodology by the IMF and the World Bank in their Financial Sector Assessment Program (FSAP) and Offshore Financial Centre (OFC) assessments.

Finally, FATF members reiterated their firm intention to complete the review of the Forty Recommendations against money laundering in June 2003 on the occasion of their next Plenary meeting in Berlin. Additional meetings will be organized between now and June to accomplish this important goal.

Further information about the FATF, its efforts to combat terrorist financing, the review of the Forty Recommendations and the present list of non-cooperative countries and territories can be found at http://www.fatf-gafi.org.

The FATF is an independent international body whose Secretariat is housed at the OECD. The twenty nine member countries and governments 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; Singapore; Spain; Sweden; Switzerland; Turkey; United Kingdom and the United States. Two international organisations are also members of the FATF: the European Commission and the Gulf Co-operation Council. South Africa and Russia are observer countries.

For further information regarding the news conference, please contact Helen Fisher, OECD's Media Relations Division (tel: 33 1 45 24 80 97 or helen.fisher@oecd.org) or the FATF Secretariat, (tel: 33 1 45 24 79 45 - fax. 33 1 45 24 17 60 or contact@fatf-gafi.org.

2 Both interpretative notes can be found at: http://www.fatf-gafi.org/pdf/INSR6_en.pdf and at http://www.fatf-gafi.org/pdf/INSR7_en.pdf.