

Chairman's Summary, Lyon Plenary, 24-26 June 2009

The FATF Plenary has taken important new steps to protect the international financial system from abuse by:

Issuing a statement reaffirming its call for effective counter-measures concerning the risks to the integrity of the international financial system emanating from Iran.

Progressing the FATF initiative on the Global Financial Crisis.

Adopting evaluations of the anti-money laundering and counter terrorist-financing systems in Austria and the Republic of Korea.

Publishing a detailed examination of the risks of money laundering through the football sector.

Issuing best practices for countries on freezing terrorist-related funds or assets.

Publishing new guidance for money service businesses on applying a risk-based approach to combating money laundering and terrorist financing.

Welcoming Eurojust as an FATF Observer.

Risks to the integrity of the international financial system

The FATF issued a statement reaffirming its call on FATF members and urging of all jurisdictions to apply effective counter-measures to protect their financial sectors from risks to the integrity of the international financial system emanating from Iran.

The FATF statement also notes that progress has been made by Uzbekistan, Turkmenistan, Pakistan and São Tomé and Príncipe, although deficiencies remain in their AML/CFT regimes that require further action.

The FATF Statement is annexed to this Chairman's Summary.

FATF Initiative on the global financial crisis

At its Plenary meeting in February 2009, the FATF decided to analyse the impact of the global financial and economic crisis across its mandate.

Following the G20 Leader's Statement and their Declaration on Strengthening the Financial System, issued on 2 April 2009, the FATF has agreed that it will report to the G20 Finance Ministers at their meeting to be held in London on 4-5 September 2009 on its new initiative on international co-operation and on its broader assessment of the appropriate AML/CFT responses to the global financial crisis.

Austria and the Republic of Korea: Evaluation of anti-money laundering and counter-terrorist financing action

The FATF discussed and adopted two mutual evaluation reports assessing compliance of Austria and the Republic of Korea against the international standards for combating money laundering and terrorist

financing - the 40+9 Recommendations. Summaries of these comprehensive assessments will soon be on the FATF website and the full reports will be released in the coming weeks.

Both countries have made clear commitments to further strengthen their national systems for the prevention, detection and suppression of money laundering and terrorist financing.

The mutual evaluation of Korea was a major and positive step in its accession to full FATF membership. Korea is currently an FATF observer jurisdiction. A final decision on Korea's membership in the FATF is expected at the FATF Plenary meeting in October.

The risks of money laundering through the football sector

The FATF finalised a comprehensive report on money laundering in the football sector. The report discusses several cases that illustrate the way that the football sector could be used as a vehicle for laundering the proceeds of criminal activities.

The report identifies several areas that are vulnerable to money laundering. These are related to the ownership of football clubs or players, the transfer market, betting activities, image rights, sponsorship and advertising arrangements.

As an initial step the FATF intends now to use this research to draw attention to the potential vulnerabilities to money laundering in the football sector and work with relevant international and regional bodies to address this problem.

[Click here to download the report.](#)

Best practices for freezing terrorist-related funds or other assets

The FATF has agreed to issue best practices for countries in order to assist their implementation of measures to freeze terrorist-related funds or other assets without delay pursuant to relevant United Nations Security Council Resolutions and in accordance with the FATF Standards.

These best practices will help countries to develop and implement targeted financial sanctions to prevent and suppress terrorist financing.

Effective freezing of terrorist-related funds and assets is essential in the fight against terrorism because it:

Denies funds to terrorists, forcing them to use more costly and higher risk ways to finance their operations.

Deters persons who might otherwise be willing to finance terrorism.

Is one element of following the money trail to uncover terrorists, terrorist groups and terrorist activity.

[Click here to download the best practices paper.](#)

Guidance for money service businesses on the risk-based approach to combating money laundering and terrorist financing

The FATF has produced new guidance for businesses which provide financial services to transfer money or value or exchange currency. This guidance will assist those businesses and government authorities to incorporate a risk-based approach to combating money laundering and terrorist financing in their operations.

The FATF has been working closely with representatives of financial institutions and non-financial businesses and professions to develop a suite of sector-specific guidance on implementing a risk-based approach to combating money laundering and terrorist financing. These guidance papers are designed to help financial institutions and designated non-financial businesses and professions to make their operations more resistant to money laundering and terrorist financing activities.

[Click here to download the guidance paper.](#)

Eurojust becomes an FATF Observer

The FATF welcomed Eurojust as the FATF's newest Observer organisation. Eurojust is a European Union body established in 2002 to co-ordinate and improve the effectiveness of competent authorities within the European Union when they are dealing with the investigation and prosecution of serious cross-border and organised crime.

Closer co-operation between the FATF and Eurojust will build on existing synergies in enforcement action directed at those who launder funds and finance terrorism.

Antonio Gustavo Rodrigues

President, Financial Action Task Force

FATF Statement 26 June 2009

IRAN

The FATF remains concerned by Iran's failure to meaningfully address the ongoing and substantial deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime. The FATF remains particularly concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system. The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalising terrorist financing and effectively implementing suspicious transaction reporting (STR) requirements. The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF reaffirms its 25 February 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. FATF continues to urge jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and to take into account ML/FT risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdiction.

The FATF remains prepared to engage directly in assisting Iran to address its AML/CFT deficiencies, including through the FATF Secretariat.

UZBEKISTAN

The FATF welcomes the significant recent steps that Uzbekistan has taken to restore and strengthen its AML/CFT regime and takes note of the action plan for further steps that it has articulated. FATF urges Uzbekistan to continue its progress towards completing its legislative framework and implementing an AML/CFT regime that meets international standards. Given that implementing regulations are not yet enacted, the FATF reiterates its statement of 16 October 2008.

TURKMENISTAN

The FATF welcomes Turkmenistan's recent progress in adopting AML/CFT legislation. Given that deficiencies remain in Turkmenistan's AML/CFT regime, FATF reiterates its 25 February 2009 statement informing financial institutions that these deficiencies constitute an ML/FT vulnerability in the international financial system and that they should take appropriate measures to address this risk.

Turkmenistan is urged to continue to take steps to implement an AML/CFT regime that meets international AML/CFT standards. Turkmenistan is strongly encouraged to continue to work closely with the Eurasian Group and the International Monetary Fund to achieve this.

PAKISTAN

The FATF welcomes Pakistan's recent accession to the International Convention for the Suppression of the Financing of Terrorism. However, the FATF remains concerned about the ML/FT risks posed by

Pakistan and reaffirms its public statement of 28 February 2008 regarding these risks. The FATF welcomes the process underway in Pakistan to improve its AML/CFT regime. The FATF encourages Pakistan to continue to fully co-operate with the World Bank and the Asia Pacific Group on Money Laundering (APG) on its mutual evaluation process.

SÃO TOMÉ AND PRÍNCIPE

The FATF welcomes São Tomé and Príncipe's continuing efforts to implement its AML law. The FATF remains concerned about the significant deficiencies in São Tomé and Príncipe's AML/CFT regime, particularly relating to terrorist financing. The FATF urges São Tomé and Príncipe to work with the Inter Governmental Action Group against Money Laundering in West Africa (GIABA) to address the remaining AML/CFT deficiencies.

Note:

The Presidency is a one-year position held by a senior official from an FATF jurisdiction. The term of the current President, Mr. Antonio Gustavo Rodrigues of Brazil, will conclude on 30 June 2009. The current Vice-President is Mr. Paul Vlaanderen of the Netherlands. He assumes the Presidency on 1 July 2009.