



Chairman's Summary Rio de Janeiro Plenary, 15-17 October 2008

17 October 2008

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

- Issue a statement calling on its members, and urging all jurisdictions, to strengthen preventive measures to protect their financial sectors from risks to the integrity of the international financial system emanating from **Iran** and **Uzbekistan**. The FATF statement also notes concern with the lack of an AML/CFT regime in **Turkmenistan** and the money laundering and financing of terrorism risks posed by **Pakistan** and **São Tomé and Príncipe**.
- Adopt evaluations of the anti-money laundering and counter terrorist-financing systems in **Japan** and **Mexico**.
- Issue guidance to assist jurisdictions in implementing the financial provisions of **United Nations Security Council Resolution 1803 (2008)** which calls on States to exercise vigilance over the activities of their financial institutions with banks domiciled in Iran and their branches and subsidiaries abroad.
- Publish new guidance for **lawyers and notaries** and for **casinos** on applying a risk-based approach to combating money laundering and terrorist financing.
- Welcome the **Basel Committee on Banking Supervision** as an FATF Observer.

International co-operation issues

On 16 October 2008, the FATF Plenary released the following statement:

IRAN

The FATF welcomes Iran's recent engagement with the international community on anti-money laundering, notes the initial steps taken towards remedying the deficiencies in this area, and urges Iran to address the remaining weaknesses.

The FATF is particularly concerned that the lack of corresponding effort by Iran to address the risk of terrorist financing continues to pose a serious threat to the integrity of the international financial system. Urgent action to address this vulnerability is necessary.

The FATF calls on its members, and urges all jurisdictions, to strengthen preventive measures to protect their financial sectors from this risk.

The FATF is prepared to engage directly in assisting Iran in decisively addressing the weaknesses in its AML/CFT regime.

UZBEKISTAN

The FATF takes note of the action plan prepared by Uzbekistan to address deficiencies in its AML/CFT regime.

The FATF is increasingly concerned that the continuing failure by Uzbekistan to restore its AML/CFT regime poses a serious threat to the integrity of the international financial system. Urgent action to address this vulnerability and to meet international standards is necessary.

The FATF calls on its members, and urges all jurisdictions, to strengthen preventive measures to protect their financial sectors from this risk.

The FATF, along with the Eurasian Group, is prepared to engage directly in assisting Uzbekistan in developing a robust AML/CFT regime.

TURKMENISTAN

The FATF notes Turkmenistan's efforts towards adopting AML legislation. However, financial institutions should be aware that the lack of an AML/CFT regime in Turkmenistan constitutes a money laundering/terrorist financing vulnerability in the international financial system. Turkmenistan is urged to continue its efforts to establish a comprehensive AML/CFT regime that meets international AML/CFT standards and to work closely with the Eurasian Group and the International Monetary Fund to achieve this.

PAKISTAN AND SRO TOMÉ AND PRÍNCIPE

The FATF reaffirms its public statement of 28 February 2008 regarding the money laundering and financing of terrorism risks posed by Pakistan and Sro Tome and Principe.

AML/CFT IMPROVEMENTS IN THE NORTHERN PART OF CYPRUS

The FATF welcomes the significant progress made in the northern part of Cyprus and notes that the northern part of Cyprus has substantially addressed the AML/CFT deficiencies that the FATF had identified. FATF encourages the northern part of Cyprus to continue to improve its AML/CFT system. Implementation will be monitored through appropriate mechanisms.

Japan and Mexico: Evaluation of anti-money laundering and counter-terrorist financing action

The FATF discussed and adopted two mutual evaluation reports, assessing compliance of Japan and Mexico with 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 website¹ and the full reports will be released in the coming weeks.

Guidance on implementation of financial provisions of UNSCR 1803

The FATF has agreed to issue new guidance to assist jurisdictions in exercising vigilance over the activities of their financial institutions with Iranian banks and their branches and subsidiaries abroad. The purpose of such vigilance is to avoid activities that contribute to Iran's proliferation-sensitive nuclear activities or to its development of nuclear weapon delivery systems.

This follows previous guidance issued by the FATF in June and October 2007 concerning the implementation of financial provisions contained within UN Security Council Resolutions 1737 and 1747, which was welcomed by the United Nations Security Council.

Guidance for lawyers and notaries and for casinos on the risk-based approach to combating money laundering and terrorist financing

The FATF has agreed two new guidance papers, one for lawyers and notaries and the other for casinos, on applying a risk-based approach to combating money laundering and terrorist financing. These have resulted from a joint FATF-private sector project to develop a series of sector-specific guidance papers. Earlier this year the FATF published guidance papers, for (i) accountants; (ii) dealers in precious metals and precious stones; (iii) real estate brokers; and (iv) trust and company service providers.

The FATF and representatives of non-financial businesses and professions have been working closely together to develop guidance on implementing a risk-based approach to combating money laundering and terrorist financing. The guidance will assist both public authorities and these professions to apply a risk-based approach to combating money laundering and terrorist financing.

The Basel Committee on Banking Supervision becomes an FATF Observer

The FATF welcomed the Basel Committee on Banking Supervision (BCBS)² as the FATF's newest Observer organisation. Closer co-operation between the FATF and the Basel Committee will build on existing synergies and will strengthen the global impact of the FATF network.

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Notes:

1. For further information, journalists are invited to contact Helen Fisher, OECD Media Relations, (Tel: +33 1 45 24 80 97 or helen.fisher@oecd.org) or the FATF Secretariat, 2, rue André-Pascal, 75775 Paris Cedex 16 (tel: +33 1 45 24 90 90, fax: +33 1 44 30 61 37, email: contact@fatf-gafi.org).
2. The FATF is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. The FATF Secretariat is housed at the OECD.
3. The thirty-four members of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; Denmark; the European Commission; Finland; France; Germany; Greece; the Gulf Co-operation Council; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States.
4. India and the Republic of Korea are observer countries. The Asia Pacific Group on Money Laundering (APG)³, the Caribbean Financial Action Task Force (CFATF)⁴, the Grupo de Acciyn Financiera de Sudam rica (GAFISUD)⁵, the Middle East and North Africa Financial Action Task Force (MENAFATF)⁶ and the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)⁷ are Associate Members.
5. The global network that is committed to combating money laundering and terrorist financing also includes three other regional bodies: the Eastern and South African Anti Money Laundering Group (ESAAMLG)⁸, the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG)⁹ and the Groupe Inter-gouvernemental d'Action Contre le Blanchiment en Afrique (GIABA)¹⁰. The Offshore Group of Banking Supervisors (OGBS)¹¹ is a part of this network as well.

¹www.fatf-gafi.org

² <http://www.bis.org/bcbs/index.htm>

³ www.apgml.org

⁴www.cfatf.org

⁵www.gafisud.org

⁶www.menafatf.org

⁷www.coe.int/moneyval

⁸www.esaamlg.org

⁹www.eurasiangroup.org

¹⁰www.qiaba-westafrica.org

¹¹www.ogbs.net