

Important role of FSRBs in combating money laundering and terrorist financing
(Introduction of FATF President Mr. Paul Vlaanderen, 12 APG Annual meeting, Brisbane, Australia, 7 July 2009)

Extract

International cooperation

A few separate words about the FATF's work on international cooperation which is presently so high on the agenda.

Some jurisdictions expose us all to unacceptable risks by failing to implement effective AML/CFT systems.

When a country chooses not to engage with the FATF in a meaningful way, the FATF must be ready to take firm action. As you know, the FATF has made public its concerns with certain jurisdictions, allowing others to alert their financial institutions to take into account the increased risks.

At the June plenary new procedures –the so called ICRG process - have been agreed which are designed to identify high risk and uncooperative jurisdictions. After the initial review (the so called 'prima facie review') of those jurisdictions has been made, it will be decided which of these should be publicly identified. The FATF will consider the progress of every publicly identified jurisdiction on an ongoing basis and apply countermeasures where necessary.

When developing this new procedure the main objective was the creation of an inclusive and transparent process. A key element of this process is the strong cooperation with the FSRBs through the establishment of regional review groups. These groups will be co-chaired by representatives of the FATF and FSRBs.

In its most recent statement, the FATF reaffirms its call on FATF members and urges 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 several jurisdictions. I am happy to note that the northern part of Cyprus is no longer under scrutiny.