

Financial Action Task Force (FATF)

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The **Financial Action Task Force (FATF)** is an intergovernmental organization established in 1989 by members of the (then) G7 to develop standards around AML. It designs and promotes policies and standards to combat financial crime. It also actively monitors the AML efforts of its members to implement its recommendations and routinely assesses its effectiveness in the fight against money laundering and terrorism funding.

In addition to its monitoring, the FATF produces two lists of jurisdictions that members believe are uncooperative with other jurisdictions in international efforts against money laundering (and terrorism financing). The “blacklist” is officially titled: High-Risk Jurisdictions subject to a Call for Action. The “graylist” is officially titled: the Jurisdictions under Increased Monitoring.

The FATF’s 40 Recommendations, revised in 2012, have been accepted internationally as the global policy benchmark for anti-money laundering, anti-terrorist financing, and anti-proliferation of weapons of mass destruction financing measures by the United Nations, the International Monetary Fund, the World Bank, the Asian Development Bank and several other international organizations and institutions. Core documents therefrom include:

- Recommendations on Money Laundering, Terrorist Financing and Proliferation Financing
- Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems (February 2013)
- Best Practice Guidelines for implementation of the standards

The FATF Recommendations are the yardstick by which each country’s AML regulation and enforcement are measured, as part of the Mutual Evaluation Report process (MER). Those reviews are conducted under the aegis of either FATF or one of the FATF-Style Regional Bodies (FSRBs).

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