

## **Outcomes FATF Plenary, 19-21 February 2025**

*Paris, 21 February 2025*

The second FATF Plenary under the Presidency of Elisa de Anda Madrazo of Mexico concluded today. Delegates from the FATF's Global Network of over 200 jurisdictions and observers from international organisations participated in three days of technical discussions to determine measures to address key money laundering, terrorism financing and proliferation financing issues.

After an extensive public consultation, the Plenary agreed changes to the FATF Standards to better support a risk-based approach and financial inclusion, a key priority under the Mexican Presidency.

It also finalised important work on combating financial flows related to online child sexual exploitation, with a report approved for publication next month, aiming to protect children from harm.

To support the implementation of the changes to the Standards around financial inclusion, the Plenary agreed to launch a further public consultation. The Plenary also agreed to consult publicly on work relating to payment transparency and complex proliferation financing and sanctions evasions, as the FATF continues to seek the widest possible range of views and perspectives to inform its work.

The FATF removed the Philippines from its increased monitoring following a successful on-site visit and updated its statements on 'high-risk and other monitored jurisdictions'.

The Plenary also welcomed Kenya who was invited to participate at the FATF Plenary and Working Groups under the new guest initiative aimed at increasing inclusivity and better taking into account regional specificities at the FATF. Kenya joins the Cayman Islands and Senegal who began participating in the guest initiative in October 2024.

The suspension of the Russian Federation continues to stand (see February 2024 statement).

### **Compliance with the FATF Standards**

#### **High-risk and other Monitored Jurisdictions**

##### **Jurisdictions under increased monitoring**

Jurisdictions under increased monitoring are actively working with the FATF to address the strategic deficiencies in their regimes to counter money laundering, terrorist financing and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to implement an Action Plan to resolve swiftly the identified strategic deficiencies within agreed timeframes.

At this Plenary, the FATF added Lao People's Democratic Republic and Nepal to the list of jurisdictions subject to increased monitoring.

##### **Jurisdictions no longer under Increased Monitoring**

The FATF Plenary congratulated the Philippines for the positive progress in addressing the strategic anti-money laundering and countering the financing of terrorism and proliferation financing (AML/CFT/CPF) deficiencies previously identified during their mutual evaluations. The Philippines has completed their

Action Plan to resolve the identified strategic deficiencies within agreed timeframes and will no longer be subject to the FATF's increased monitoring process.

The Philippines should continue to work with the Asia/Pacific Group on Money Laundering of which it is a member to sustain its improvements in its AML/CFT system. The FATF encourages the Philippines to continue its work in ensuring that its CFT measures are appropriately applied, particularly the identification and prosecution of TF cases, and are neither discouraging nor disrupting legitimate NPO activity.

### **Jurisdictions subject to a Call for Action**

The FATF identifies countries or jurisdictions with serious strategic deficiencies to counter money laundering, terrorist financing, and proliferation financing. These jurisdictions are subject to a call for action to protect the international financial system.

### **Membership Issues**

The suspension of the membership of the Russian Federation continues to stand. Following the statements issued since March 2022, the FATF reiterates that all jurisdictions should be vigilant to current and emerging risks from the circumvention of measures taken against the Russian Federation in order to protect the international financial system.

### **Strategic Initiatives**

#### **Financial Inclusion and the Risk-based Approach**

Following a public consultation which gathered more than 140 responses, members agreed to revise the FATF Standards to better support financial inclusion, recognising that around 1.4 billion people around the world still do not have a bank account.

The changes are informed by a broad range of submissions, including from non-profit organisations, banks, payment providers, insurers, academics, accountants, lawyers and other international organisations.

Recommendation 1 aims to ensure countries apply a risk-based approach to their anti-money laundering and counter-terrorist financing and proliferation financing measures. The changes will encourage financial institutions applying simplified measures where risks are lower, and thus facilitating people's access to financial services.

This builds on an extensive body of work responding to the findings of a 2021 stocktake, where the FATF highlighted how de-risking, financial exclusion, undue targeting of non-profit organisations and curtailment of human rights can occur where jurisdictions do not properly apply a risk-based approach.

#### **Detecting and Disrupting Online Child Sexual Exploitation**

The Plenary approved a landmark report looking at how examining financial flows and producing financial intelligence can help to detect, disrupt and investigate the alarming monetisation of live streaming of child sexual abuse and the "sextortion" of children.

The report, which draws on case studies and expertise from the FATF's Global Network, will help link financial transactions to offenders and enable earlier detection and intervention in cases of online child sexual exploitation.

The report will be launched at an event in London on 13 March 2025, which will bring together representatives from across the public and private sectors, aiming to operationalise the report's findings around the world.

### **FATF Vice-Presidency (2025-2027)**

The Plenary selected Mr. Giles Thomson, from the United Kingdom (UK) to be the next FATF Vice President. He will succeed Mr Jeremy Weil from Canada, who has served in this role since 1 July 2023 and will step down on 30 June 2025. Mr. Thomson will hold this position for two years from 1 July 2025. Mr Thomson is currently Director of the Office for Financial Sanctions Implementation and Economic Crime at HM Treasury and Head of the UK delegation to the FATF.

### **Public Consultations**

To embed the changes to Recommendation 1 to support a risk-based approach and financial inclusion, the FATF is working on new guidance that will equip policy makers and regulators with practical examples to encourage widespread adherence to the changes. The FATF invites feedback on this guidance so that the public and private sectors are best able to implement a risk-based approach.

FATF also agreed to consult on potential revisions to its Recommendation 16 on payment transparency which would improve standardisation and quality of originator and beneficiary information in payment messages. This should help achieve greater transparency and security, avoid duplication and foster more effective compliance processes by financial institutions, while also supporting faster, cheaper payments. The FATF seeks the broadest range of views as it aims to support the use of new technologies without compromising defences against illicit finance.

FATF also seeks input on its work to understand Complex Proliferation Financing and Sanctions Evasions Schemes. FATF will seek information on best practices and challenges on identifying, assessing, understanding and mitigating Proliferation Financing risk. The public consultation will also seek views on how the FATF can support the private sector to meet their CPF obligations.

Details of the three consultations will be published on the FATF website in due course.

### **Global Network Cooperation**

Under its Mexican Presidency, the FATF intensifies its actions to increase FATF-Style Regional Bodies' (FSRBs) voices and participation in FATF work and to strengthen cohesion in the Global Network.

The FATF President built further on its initiative launched in October 2024 to invite guest jurisdictions to input more actively in the FATF and promote further engagement within the region. This week Kenya joined the Cayman Islands and Senegal at the Plenary table as guest jurisdictions.

The guest initiative aims to broaden the diversity of perspectives and backgrounds at the FATF from regions of the globe that currently do not have many FATF members involved in their regional bodies as joint members. Invitations to guest jurisdictions are for one year, on a rotational basis.

### **Women in FATF and the Global Network (WFGN) Initiative**

A successful event was held this week in support of the growing Women in FATF and the Global Network programme, and the FATF discussed further proposals to support women's careers within the FATF and

the Global Network. The FATF will launch its 2nd edition of the FATF Mentoring Programme in March 2025.

**Horizontal Review of Gatekeepers' Technical Compliance Related to Corruption**

The Plenary affirmed the importance of the FATF's Horizontal Review of Designated Non-Financial Businesses or Professions (DNFBPs), which looked at actions FATF members have taken to apply important aspects of the FATF Recommendations to lawyers, accountants, trust and company service providers, and real estate agents. Countries were encouraged to continue to address their deficiencies.

**Private Sector Collaborative Forum**

Members showed continued support for the FATF's close collaboration with the private sector and civil society in order to effectively tackle current and emerging threats to the global financial system.

The FATF's annual Private Sector Collaborative Forum will take place in Mumbai on 25 – 27 March 2025, and will bring together representatives from the financial sector, non-financial businesses and professions, civil society, academia, FATF members and other stakeholders.