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### **FATF WELCOMES CHINA AS AN OBSERVER**

The Financial Action Task Force (FATF), meeting in Paris from 9 to 11 February 2005, has welcomed for the first time, the People's Republic of China to attend its Plenary meeting as an observer. Mr. Jean-Louis Fort, President of the FATF said: "It is both an honour and a privilege to welcome China to this FATF Plenary. It is a major step forward in the global fight against money laundering and terrorist financing. The FATF looks forward to working with the Chinese authorities to achieve membership."

FATF's invitation to China follows the commitment made by the Chinese authorities to implement the FATF 40 + 9 Recommendations, to undergo a mutual evaluation and to play an active role in the fight against money laundering and terrorism financing both regionally and worldwide. China will be eligible for FATF membership after the completion of a successful mutual evaluation of its anti-money laundering and counter-terrorist financing system.

The Cook Islands, Indonesia and the Philippines have been removed from the list of Non-Cooperative Countries and Territories (NCCTs). Recent FATF visits to those countries confirmed that they are effectively implementing anti-money laundering (AML) measures to remedy deficiencies that were identified by the FATF. The Cook Islands, Indonesia, and the Philippines have AML systems that include strict customer identification, suspicious transaction reporting, bank examinations, and legal capacities to investigate and prosecute money laundering. All three countries have developed financial intelligence units (FIUs)—specialised units that analyse financial data, co-ordinate national efforts, and facilitate international co-operation. The FATF will now monitor the implementation of these measures in the three countries to ensure that they sustain their recent commitments and progress. The current NCCT list includes Myanmar, Nauru, and Nigeria. The FATF continues to use the NCCT process to call on financial institutions to scrutinise transactions with persons, businesses, or banks in listed countries with inadequate anti-money laundering infrastructures.

The FATF has published a Best Practices paper on Special Recommendation IX, which provides guidance on detailed measures to stop cross-border movements of currency and monetary instruments related to terrorist financing and money laundering, and to confiscate such funds, as well as on enhanced information-sharing between countries on the movement of illicit cash related to terrorist financing or money laundering.

Since its last meeting, the FATF has welcomed two new FATF-style regional bodies into the global network of international organisations and bodies that combat money laundering and terrorist financing. These regional bodies are committed to implementing the FATF Recommendations. The Eurasian Group (EAG) was founded in Moscow in October 2004.<sup>1</sup> The EAG will hold its second Plenary meeting on 12-14 April 2005 in Shanghai. The FATF also welcomes the creation of MENAFATF, a new FATF-style regional body in the Middle East and North Africa. A Ministerial meeting was held on 29-30 November 2004 in Bahrain to form this body.<sup>2</sup> The MENAFATF will hold its first Plenary meeting on 11-15 April 2005 in Beirut. Finally, the FATF will closely work with GIABA (the Intergovernmental Group of Action against money laundering in West Africa) to enhance awareness on money laundering and terrorist financing issues within 15 West African countries and to support the work of this Group.

#### Notes to editors:

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](mailto:helen.fisher@oecd.org)) or the FATF Secretariat, 2, rue André-Pascal, 75775 Paris Cedex 16 (tel: +33 1 45 24 79 45, fax: +33 1 45 24 17 60 or e-mail: [contact@fatf-gafi.org](mailto:contact@fatf-gafi.org)).

2. Further information about the FATF, its efforts to combat money laundering and terrorist financing, and the current list of non-cooperative countries and territories can be found at <http://www.fatf-gafi.org>.

3. 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. The thirty-one member countries and governments of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; Denmark; Finland; France; Germany; Greece; 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. The European Commission and the Gulf Co-operation Council are also members of the FATF. The global network that is committed to combating money laundering and terrorist financing includes the FATF-style regional bodies: Asia/Pacific Group, the Caribbean Financial Action Task Force, ESAAMLG, EAG, GAFISUD and MENAFATF and Moneyval. The Offshore Group of Banking Supervisors is also part of this network.

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<sup>1</sup> The founding members are Belarus, Kazakhstan, Kyrgyzstan, People's Republic of China, the Russian Federation and Tajikistan.

<sup>2</sup> The founding members are Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, Tunisia, United Arab Emirates and Yemen.