



**Chairman's Summary
Paris Plenary, 10-12 October 2007**

12 October 2007

New steps to protect the international financial system from abuse were agreed by the FATF at its meeting in Paris on 10-12 October 2007. Attended by over 400 delegates from 34 countries and 20 international organisations, this was the first plenary meeting under the UK Presidency of the FATF. The FATF:

- called upon **Iran** to strengthen, as a matter of urgency, its anti-money laundering and counter-terrorist financing (AML/CFT) controls. FATF members are advising their financial institutions to take account of the risks in enhanced due diligence;
- agreed new steps to strengthen **private sector engagement** in the global fight against money laundering and terrorist financing;
- committed to produce a regular **global threat assessment** setting out key issues of criminal and terrorist financing concern;
- published new guidance to address the threat of **weapons of mass destruction (WMD) proliferation** emanating from Iran, in accordance with the financial provisions of United Nations Security Council Resolution 1737; and
- discussed and adopted an **evaluation of the AML/CFT system in Finland**.

Iran

On 11 October 2007, the FATF Plenary released the following statement on Iran:

The Financial Action Task Force (FATF) is concerned that the Islamic Republic of Iran's lack of a comprehensive anti-money laundering / combating the financing of terrorism (AML/CFT) regime represents a significant vulnerability within the international financial system. The FATF calls upon Iran to address on an urgent basis its AML/CFT deficiencies, including those identified in the 2006 International Monetary Fund Article IV Consultation Report for Iran.

FATF members are advising their financial institutions to take the risk arising from the deficiencies in Iran's AML/CFT regime into account for enhanced due diligence.

The FATF looks forward to engaging with Iran to address these deficiencies.

Strengthening dialogue with the private sector

A new forum bringing together the FATF and key private sector bodies is to be launched by the FATF. The forum builds on existing outreach activities and will formalise and enhance dialogue and a partnership approach between the FATF and key private sector organisations from a wide range of sectors across the globe.

The FATF will also meet with key private sector organisations in London in December 2007. This first joint meeting to exchange information on money laundering and terrorist financing techniques reflects an enhanced commitment by the FATF to engage with the private sector.

Work will also commence between the FATF and representatives of key non-financial businesses and professions to develop shared guidance on the risk-based approach to tackling money laundering and terrorist financing. This activity builds on joint guidance on the risk-based approach published in July 2007 by the FATF and representatives of the international banking and securities sectors.

Global threat assessment of money laundering and terrorist financing threats

The FATF plans to produce a regular global threat assessment, setting out key issues of criminal and terrorist financing concern.

This new threat assessment will be developed following a process of enhanced surveillance of international money laundering and terrorist financing risks and will help national governments and the private sector take actions to manage key international threats. This initiative builds upon and complements the FATF's existing typologies work. The FATF has also agreed to support countries in the development of national-level threat assessments.

Combating the financing of WMD proliferation

The FATF will continue to work on the combating of proliferation financing in response to UN Security Council Resolutions. It is developing a new study on the trends and techniques involved in WMD proliferation financing activity.

Other action taken this week builds on previous work published by the FATF in June and September 2007 to assist jurisdictions in the implementation of the targeted financial sanctions contained within UN Security Council Resolution 1737.

Specifically, the FATF agreed new guidance on the implementation of financial prohibitions to combat the threat of WMD proliferation by Iran. This represents a major step forward in the implementation of financial measures contained within UN Security Council Resolution 1737. The guidance, to be released on the FATF website, will facilitate further cooperation between national governments and financial institutions in the fight against WMD proliferation financing.

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

The FATF discussed and adopted a mutual evaluation report assessing Finland's compliance with the FATF standards: the 40+9 Recommendations. A summary of the assessment will shortly be released on the FATF website. The full report will be released publicly in the coming weeks.

Mr James Sassoon
President, Financial Action Task Force

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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 79 45, 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 Cooperation 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)¹, the Grupo de Acción Financiera de Sudamérica (GAFISUD)², the Middle East and North Africa Financial Action Task Force (MENAFATF)³ and the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL)⁴ are Associate Members.
5. The global network that is committed to combating money laundering and terrorist financing also includes four other regional bodies: the Caribbean Financial Action Task Force (CFATF)⁵, the Eastern and South African Anti Money Laundering Group (ESAAMLG)⁶, the Eurasian Group on combating money laundering and financing of terrorism (EAG)⁷ and the Groupe Intergouvernemental d'Action contre le Blanchiment en Afrique (GIABA)⁸. The Offshore Group of Banking Supervisors (OGBS)⁹ is a part of this network as well.

1 www.apgml.org
2 www.gafisud.org
3 www.menafatf.org
4 www.coe.int/moneyval
5 www.cfatf.org
6 www.esaamlg.org
7 www.eurasiangroup.org
8 www.giaba-westafrica.org
9 www.ogbs.net