



Declaration of the Ministers of the Financial Action Task Force

18 April 2024

1. We – the Ministers of the Financial Action Task Force (FATF) – reaffirm our unwavering commitment to fully supporting the FATF as the global standard-setter for preventing and combatting money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction (AML/CFT/CPF). Illicit finance fuels serious crime, including terrorism, corruption, fraud, drug trafficking, tax evasion and environmental and cyber crime (including online child sex exploitation) and other organised crime. It also erodes the integrity of the international financial system and hinders sustainable economic and social development. The FATF Global Network, comprising more than 200 jurisdictions, is at the centre of the international effort to take decisive, co-ordinated, and effective action against these threats to the safety and security of our societies.
2. We welcome Indonesia as our 40th member. Our diverse membership and Global Network ensure united global action to combat illicit finance. We continue to support all countries in applying the FATF Standards and being assessed against them. As FATF members, we commit to fully, swiftly and effectively implementing the FATF Standards under our open-ended mandate and will hold accountable any members that fail to do so.
3. Recognising the unique role that the FATF plays in preventing and combatting money laundering, terrorist financing and proliferation financing and supporting global security and stability, we the FATF Ministers commit to increase our core funding to ensure sustainability of the FATF's budget. We recognise the important role voluntary contributions play and continue welcoming such contributions from FATF members. We will continue to use our resources efficiently and focus their use to deliver on the FATF's strategic priorities to enhance the effective implementation of the FATF Standards.
4. We recall the February 2023 FATF Public Statement on the suspension of the Russian Federation's membership. The Russian Federation's ongoing, illegal, unprovoked and unjustified invasion of Ukraine runs counter to the FATF's core principles and represents a gross violation of the commitment upon which FATF Ministers agree to implement and support the FATF Standards. We call upon all jurisdictions to remain vigilant of threats to

the integrity, safety and security of the international financial system arising from the Russian Federation's war against Ukraine.

5. Since our last meeting two years ago, the FATF has delivered on its strategic priorities for the 2022-2024 biennium under the Singapore Presidency. The FATF through its assessment process continued to assist jurisdictions to strengthen their AML/CFT/CPF systems and identify areas where further improvements are needed. The FATF took major steps to enhance its Standards on asset recovery, including improving jurisdictions' toolkits to recover the proceeds of crime. We also reinforced the international framework for the transparency of beneficial ownership of legal persons and arrangements, making it harder for criminals to hide their assets. We led global efforts to effectively implement standards to regulate virtual assets for AML/CFT/CPF, and continue to work closely with relevant stakeholders to ensure responsible innovation and prevent the misuse of virtual assets for criminal purposes.
6. The FATF also contributed to combatting grand and systemic corruption by identifying risks associated with citizenship and residency by investment programmes, and advising governments on safeguards that could mitigate some of the risks associated with these programmes. We support the FATF's continued work to strengthen compliance by non-financial gatekeepers to prevent and detect misuse of these sectors by criminals, including the corrupt. We also focused on emerging risks to the global financial system, including the growing threats posed by transnational cyber-enabled fraud, synthetic opioid trafficking, the misuse of virtual assets, the risks related to ransomware and the abuse of crowdfunding platforms for terrorism financing and the potential misuse of arts and antiquities as tools for money laundering and terrorism financing.
7. Despite significant progress made, there continue to be gaps in effective implementation of the FATF Standards and we commit to swiftly implement measures to improve effectiveness of outcomes in tackling money laundering, terrorism financing and proliferation financing and we urge all jurisdictions to do so.
8. Further effort is required on supervision and preventive measures, beneficial ownership transparency, investigating and prosecuting money laundering, and confiscating the proceeds of crime. We reaffirm our commitment to support jurisdictions to put in place the tools needed to protect the financial system and the broader economy from the threats of illicit finance.
9. Considering the serious ongoing threat of terrorism in many regions of the world, the FATF will also continue its strategic focus on countering terrorist financing, including cross-border terrorist financing, and other emerging trends and providing our members and private sector partners with updated typologies and risk indicators. We commit to and encourage all jurisdictions to strengthen cooperation to better detect, investigate, prosecute and disrupt terrorist financiers.
10. The proliferation of weapons of mass destruction (WMD) poses a significant threat to international peace and security. The FATF has strengthened the global response to this threat by adopting measures to help countries and the private sector to identify and

assess risks of the breach, non-implementation, or evasion of United Nations targeted financial sanctions on proliferation financing. We commit to and encourage all jurisdictions to implement these measures to prevent WMD proliferators from raising and moving funds.

EFFECTIVENESS IN THE NEW ROUND OF ASSESSMENTS

11. We recognise the FATF assessment process as the primary tool to drive greater and more effective implementation of its Standards across the globe. In the next biennium, the FATF will prioritise the delivery of more focused, risk-based and timely mutual evaluations. This includes increasing the frequency of evaluations, a stronger focus on effectiveness of outcomes and providing impactful recommendations to drive the necessary reforms.
12. As a member-led task force, we commit to adequately resource the FATF to undertake the new assessment round. This includes providing qualified national experts, which is critical for this peer review process. We will also continue to support FATF-Style Regional Bodies (FSRBs) to deliver timely and high-quality evaluations. We welcome efforts by the International Monetary Fund (IMF) and the World Bank, as qualified assessor bodies, in supporting the assessment process.

STRENGTHENING THE EFFECTIVENESS AND COHESION OF THE GLOBAL NETWORK

13. In a highly interconnected global financial system, the fight against money laundering and terrorist financing requires strong international cooperation. The Global Network is a unique inclusive framework bringing together more than 200 jurisdictions united by a common commitment to tackle illicit finance by applying a single set of standards and a universal system of mutual evaluations. Building on this unique network is essential in maintaining global cooperation to fight financial crime.
14. We welcome progress in implementing the 2022 Strategic Vision for the Global Network and in boosting support for the FSRBs. We commit to provide longer-term support for this work, which could include FATF members becoming joint members or observers in FSRBs and/or helping FSRBs secure adequate resources to deliver on their next round of assessment. We welcome the further positive steps taken to increase the voice of the Global Network in the governance of the FATF and will prioritise strengthening this strategic partnership.
15. We commit to further supporting low-capacity countries to strengthen their systems against illicit finance and address the risks they face. The FATF Standards support the 2030 UN Sustainable Development Goals by facilitating the return of proceeds of crime. We will continue to work in close cooperation with the IMF, the World Bank, the United Nations, and other relevant technical assistance providers which complement FATF's efforts to build countries' capacity to tackle illicit finance. Recognising the significant number of low-capacity countries among those jurisdictions with strategic deficiencies,

we commit to refining the risk-based criteria to identify the countries that pose a higher threat to the global financial system.

SUPPORTING EFFECTIVE IMPLEMENTATION OF THE FATF STANDARDS

16. The opacity of the beneficial ownership of legal persons and arrangements is a key enabler for criminals to hide proceeds of crime and engage in illicit activities, such as large-scale tax evasion. To address this, we reinforced the relevant FATF Standards and commit to leading by example to improve timely access to adequate, accurate and up-to-date beneficial ownership information in our jurisdictions. Lack of cooperation and limited national powers to trace and confiscate assets have held back countries from recovering criminal proceeds. We thus also commit to build more robust asset recovery systems. The FATF will continue to work with relevant international bodies, such as the Egmont Group of Financial Intelligence Units, IMF, INTERPOL, OECD, UNODC and the World Bank to strengthen the legal and operational frameworks which underpin countries' beneficial ownership transparency, asset recovery and anti-corruption efforts. Effective implementation of these reforms will ensure that crime does not pay.
17. The foundation of effective AML/CFT/CPF regimes is an accurate understanding of risks. While there has been substantial work undertaken by the FATF on terrorism financing, including on ethnically or racially motivated terrorism, the Global Network must have the capability and political will to investigate, prosecute, and impose targeted financial sanctions on the full range of terrorist financing risks identified in their jurisdictions. To support this, the FATF will provide a comprehensive update on terrorist financing methods and trends and undertake further work to support greater effectiveness in combating terrorist financing. We also commit to having material deficiencies related to the understanding of terrorist financing risk, investigation and prosecution of terrorist financing, or implementation of targeted financial sanctions addressed in the mutual evaluation follow-up process. We will also work to enhance the understanding of schemes to evade proliferation financing sanctions to enable better risk mitigation. To combat professional and complex money laundering schemes, we will continue to support countries to better understand the contemporary risks, and build the tools and capabilities required to pursue these cases and increase international cooperation.
18. We welcome the FATF's focus on preventing the misapplication of its Standards. The FATF has worked to clarify its Standards and support their effective and proportionate implementation to facilitate financial inclusion and to protect the Non-Profit Organisation (NPO) sector from potential terrorist financing abuse. The FATF revised its standards on NPOs and developed guidance on risk assessments. We support further efforts by the FATF to ensure that countries do not misuse the FATF requirements to restrict the activities of NPOs. Going forward, the FATF will revise its Standards on risk identification and mitigation to focus on the need for countries to apply a risk-based approach which will facilitate actions in favour of financial inclusion. The FATF will also continue to engage regularly and proactively with civil society and other stakeholders on these issues.

MONITORING AND RESPONDING TO EVOLUTIONS IN FINANCE AND WORKING WITH STRATEGIC PUBLIC AND PRIVATE SECTOR PARTNERS

19. We, as FATF members, commit to ensuring that digitalisation in finance supports financial inclusion, stability and integrity. The FATF led global efforts in virtual assets' regulation with the adoption of standards in 2019. The FATF Roadmap on Virtual Assets supports and speeds up much needed global implementation of these Standards. We commit to continue our engagement with the private sector and other relevant stakeholders to enable responsible innovation. The FATF will also pursue additional work to ensure that FATF Standards remain up-to-date and effective in addressing emerging risks.
20. Innovative tools and use of technology are critical in the fight against illicit finance. The FATF will continue to engage with other international organisations and actively participate in strategic initiatives exploring innovation in finance, including in facilitating cross-border payments and developing Central Bank Digital Currencies, to ensure AML/CFT/CPF integrity by design. This includes reviewing the FATF Standards on cross-border payment transparency. Building on previous engagements, the FATF will initiate further high-level dialogue with Data Protection Agencies to improve policy coherence and facilitate innovation that meets both data protection and privacy and AML/CFT/CPF objectives.

PROMOTING ROBUST AND INCLUSIVE GOVERNANCE

21. We reiterate our commitment to promote robust governance within the FATF, based on integrity, accountability, and transparency. The FATF is also committed to promoting equality and diversity in the Global Network, including through the development of the Women in FATF and the Global Network initiative.