





The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

For more information about the FATF, please visit [www.fatf-gafi.org](http://www.fatf-gafi.org)

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the FATF Secretariat, 2 rue André Pascal 75775 Paris Cedex 16, France  
(fax: +33 1 44 30 61 37 or e-mail: [contact@fatf-gafi.org](mailto:contact@fatf-gafi.org)).

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## FATF Report to G20 Leaders' Summit

28-29 June 2019

1. **U**nder the leadership of President Donald Trump, the G20 reaffirmed its support for the FATF, as the global anti-money laundering, counter terrorist financing (AML/CFT), and counter proliferation financing standard-setting body, and welcomed its ongoing efforts to strengthen its institutional basis. The G20 also called on FATF to enhance its efforts to counter proliferation financing, and asked the FATF to clarify how its standards apply to virtual asset financial activities and related providers.
2. **U**nder the leadership of US President Donald Trump, the G20 called on FATF to enhance its efforts to counter proliferation financing, and asked the FATF to clarify how its standards apply to virtual asset financial activities and related providers, in order to help countries develop effective AML/CFT frameworks while balancing innovation and financial inclusion.
3. **T**he FATF is also progressing work to support the use of digital ID, and continue to promote transparency and availability of beneficial ownership information.
4. **O**n the 30<sup>th</sup> anniversary of the FATF, the G20 reaffirmed its support for the FATF, and called on the FATF to enhance its efforts to counter proliferation financing, and asked the FATF to clarify how its standards apply to virtual asset financial activities and related providers. The adoption of an open-ended mandate, on the 30<sup>th</sup> anniversary of the FATF, reflects the fact that these threats are enduring concerns for the integrity of the financial system, and that a sustained political commitment is required.

### Strengthening the institutional basis, governance and capacity of FATF

5. **T**he FATF is also progressing work to support the use of digital ID, and continue to promote transparency and availability of beneficial ownership information, to counter the abuse of the financial system by criminals and terrorists, and strengthen its capacity to respond to these threats that all countries face.
6. **M**oreover, the G20 called on the FATF to enhance its efforts to counter proliferation financing, and asked the FATF to clarify how its standards apply to virtual asset financial activities and related providers.

7. **T**hese enhancements aim to recognize and build on the FATF's increased participation in international fora, including at the G7/G20, United Nations bodies and FATF-Style Regional Bodies, and support the FATF's responsiveness to current and emerging threats and opportunities.

8. **F**urther efforts to strengthen its effectiveness as the leading global standard setting bo

The monitoring or supervision of virtual asset service providers by a country's competent authority, and not a self-regulatory body, with adequate powers, including to conduct inspections and compel the production of information;

A range of effective, proportionate and dissuasive sanctions to deal with virtual asset service providers that fail to comply with their AML/CFT requirements, including the power for supervisors to withdraw, restrict or suspend virtual asset service providers' license or registration;

The application of all FATF preventive measures, including customer due diligence, recordkeeping, and suspicious transaction monitoring, among others, by virtual asset service providers;

The provision of the widest possible range of international cooperation by countries, especially between supervisors.

13. **I** **J** **F** **A** **T** **F** **R** **E** **P** **O** **R** **T** **T** **O** **G** **2** **0** **L** **E** **A** **D** **E** **R** **S** **'** **S** **U** **M** **M** **I** **T** **T** **H** **E** **U** **P** **D** **A** **T** **E** **D** **G** **U** **I** **D** **A** **N** **C** **E** **S** **F** **E** **R** **E** **X** **P** **L** **A** **I** **N** **T** **H** **E** **A** **P** **P** **L** **I** **C** **A**  
The updated Guidance further explains the application of the FATF requirements in the context of virtual assets and virtual asset service providers (as well as for other obliged entities that engage in or provider virtual asset financial activities, products or services), Recommendation-by-Recommendation. It is intended to help both national authorities in understanding and developing regulatory and supervisory responses to virtual asset activities and virtual asset service providers, and private sector entities seeking to engage in virtual asset activities or operations in understanding their AML/CFT obligations and how they can effectively comply with these requirements.

14. **T** **H** **E** **F** **A** **T** **F** **W** **O** **R** **K** **W** **I** **L** **L** **P** **R** **O** **C** **E** **E** **D** **A**  
This work will proceed as a matter of priority, so that FATF can begin assessing countries' compliance with

attacks around the world. Disrupting the financial flows of ISIL, Al Qaeda and other terrorist organisations and individual terrorists remains one of the most effective ways to detect and disrupt terrorist activity.

17. **T**he **U**nitied **N**ations **S**ecurity **C**ouncil **R**esolution 2177 (2014) calls on all Member States to identify and freeze the assets of individuals and entities associated with terrorism. It also calls on Member States to prevent their financial systems from being used for terrorist financing. **FATF** has issued guidance on how to implement these requirements.

sharing on proliferation financing activity. The FATF agreed to potentially consider these other options at a later date.

### Improving Transparency and the Availability of Beneficial Ownership Information

23. **The FATF** will continue to work with the Global Forum on Transparency and Exchange of Information for Tax Purposes.

24. **The FATF** will continue to work with the Global Forum on Transparency and Exchange of Information for Tax Purposes. This focuses on how these professions should apply safeguards, in a risk-based way, to prevent the misuse of their services by criminals; and how supervisors should prevent complicit or negligent professionals from operating. The work was undertaken in partnership with the private sector.

25. **Some FATF** will continue to work with the Global Forum on Transparency and Exchange of Information for Tax Purposes. This will facilitate jurisdictions' implementation of effective measures in order to ensure that legal persons are prevented from being misused for money laundering and terrorist financing and proliferation financing, and that information on their beneficial ownership is available to competent authorities without undue restrictions.

26. **An FATF** will continue to work with the Global Forum on Transparency and Exchange of Information for Tax Purposes. Taking into account comments from the public and private sector, the FATF will continue to work on this project, which is expected to be published by the end of this year.

### Financial Technologies, Regulatory Technologies: Digital Identity

27. **The FATF** will continue to work with the Global Forum on Transparency and Exchange of Information for Tax Purposes. Digital Identity has the potential to enhance financial inclusion and reduce the costs of customer onboarding, as well as to better manage the risks of money laundering and terrorist financing.

28. **An FATF** will continue to work with the Global Forum on Transparency and Exchange of Information for Tax Purposes. This session highlighted the range of opportunities and challenges that financial technologies raise with respect to anti-money laundering and counter terrorist financing.

29. **The FATF** will continue to work with the Global Forum on Transparency and Exchange of Information for Tax Purposes. (such as machine learning, data mining, artificial intelligence) to manage AML CFT risk, facilitate customer due diligence, sanctions screening and

transaction monitoring, and how government authorities have harnessed new technologies to increase efficiency and effectiveness in detecting money laundering and terrorist financing.

30. The FATF in its 2012 Recommendations for Combating Money Laundering, Terrorist Financing and Proliferation Financing





