

The 21-23 February 2024 FATF Plenary Meeting Outcomes

Of particular interest to: All UK firms

In brief

The outcomes following the recent FATF Plenary Meeting, which took place 21 February until 23 February 2024, saw the agreement to new risk-based guidance concerning Recommendation 25 on beneficial ownership and transparency of legal arrangements, and the presentation of options for potential changes to Recommendation 16 in the form of a public consultation.

The Plenary's published outcomes also announced changes made to the FATF's 'grey list' of Jurisdictions under increased Monitoring, with the removal of Barbados, Gibraltar, Uganda and the United Arab Emirates, and the addition of Kenya and Namibia.

Summary

The FATF holds three plenary meetings during the year, where delegates from the FATF's Global Network, observers from international organisations and experts on typologies discuss key money laundering, terrorism, and proliferation financing issues. The Plenary, who are the decision-making body of the FATF then publish the conclusion of these meetings.

The outcomes following the recent FATF Plenary held in Paris, outlined pertinent current and potential changes and updated guidance all financial institutions should be aware of in relation to money laundering, terrorism, and proliferation financing, and more specifically FATF's push to increase beneficial ownership transparency globally, leverage digital transformation, enhancing payment transparency, and protect non-profit organizations from terrorist financing abuse.

One of the outcomes of the Plenary was the update to the Jurisdictions under Increased Monitoring list. Barbados, Gibraltar, Uganda and the United Arab Emirates were removed from this list and congratulated for their significant progress in addressing the strategic deficiencies during their mutual evaluations. The additions made to this list were Kenya and Namibia, however no changes were announced to the list of Jurisdictions subject to call for action also known as the 'black list' following the meeting.

The removal of Schedule 3ZA made by the Money Laundering and Terrorist Financing (High-Risk Countries) (Amendment) Regulations 2024, which came into force 23 January 2024, saw that all UK regulated businesses would now be obliged to refer directly to the FATF's two lists of jurisdictions. It is therefore imperative that UK regulated business closely monitor the FATF's grey and black lists as a

source of what would constitute as a high-risk jurisdiction, and an jurisdictions subject to increased monitoring.

An additional outcome following the Plenary meeting was the revision of Recommendation 25 on beneficial ownership and transparency of legal arrangements, in which the FATF have updated its guidance for. The updated guidance builds upon Recommendation 24, concerning legal persons and aims to help stakeholders from the public and private sectors that are involved in trusts or similar legal arrangements to assess and mitigate money laundering and terrorist financing risks. This guidance seeks to enhance global transparency and prevent criminals and terrorists from hiding behind complex corporate structures and is expected to be published at the end of February 2024.

A statement was issued following the Plenary on the Russian Federation, which called 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, as well as the potential risks to the growing financial connectivity of Russia with countries subject to FATF countermeasures, risks of proliferation financing, and malicious cyber activities and ransomware attacks.

The identification of jurisdictions with significant virtual asset activity was also addressed at the Plenary, who agreed to publish an overview of the steps that FATF and FSRB member jurisdictions with the most materially important virtual asset activity have taken to regulate and supervise virtual asset service providers ("VASPs"). The purposes of this being to enable the FATF's network to support these jurisdictions in regulating and supervising VASPs for anti-money laundering and counter terrorism financing purposes, and to encourage jurisdictions to fully implement Recommendation 15.

A further notable announcement following the Plenary was the appointment of Ms. Elisa de Anda Madrazo of Mexico, as the next President of the FATF for the 2024-2026 term.

Lastly, in setting the Strategic Priorities for 2024-2026, the delegates of the Plenary discussed specific areas of focus for the FATF to deliver on its mandate. The FATF expect to present these Strategic Priorities to the FATF Ministers at the upcoming FATF Ministerial Meeting in April 2024.

Useful Links

[FATF Statement on the Russian Federation \(fatf-gafi.org\)](https://www.fatf-gafi.org)

[Jurisdictions under Increased Monitoring - 23 February 2024 \(fatf-gafi.org\)](https://www.fatf-gafi.org)

[High-Risk Jurisdictions subject to a Call for Action - February 2024 \(fatf-gafi.org\)](https://www.fatf-gafi.org)

[Outcomes FATF Plenary, 21-23 February 2024 \(fatf-gafi.org\)](https://www.fatf-gafi.org)

[The Money Laundering and Terrorist Financing \(High-Risk Countries\) \(Amendment\) Regulations 2024 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

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