

## **Financial Action Task Force Mutual Evaluation: Background and Key Information**

In 2016, for the first time in approximately a decade, the United States will be subject to a Financial Action Task Force (FATF) Mutual Evaluation.

### **Financial Action Task Force (FATF): Purpose and Function**

The [Financial Action Task Force \(FATF\)](#) is an [international policy-making and standard-setting body](#) that was established to promote effective implementation of legal, regulatory and operational measures for combatting money laundering, terrorist financing and all other threats to the integrity of the global financial system. FATF works to bring about national legislative and regulatory reform, as necessary, to drive compliance with its globally recognized recommendations.

The FATF is comprised of representatives from 36 global jurisdictions, including the United States. FATF's members have a ministerial mandate to establish international standards and recommendations for combatting money laundering and terrorist financing.

[FATF Recommendations](#) are globally recognized as the international standard for combating money laundering and terrorist financing; they articulate critical measures countries should have in place, in order to:

- Identify the risks, and develop policies and domestic coordination;
- Pursue money laundering, terrorist financing and the financing of proliferation;
- Apply preventive measures for the financial sector and other designated sectors;
- Establish powers and responsibilities for the competent authorities (e.g., investigative, law enforcement and supervisory authorities) and other institutional measures;
- Enhance the transparency and availability of beneficial ownership information of legal persons and arrangements; and
- Facilitate international cooperation.

### **FATF Mutual Evaluation: Objectives and Scope**

FATF Mutual Evaluations assess global anti-money laundering (AML) and countering the financing of terrorism (CFT) compliance and identify jurisdictions that are not compliant or deficient in attaining FATF standards.

FATF Mutual Evaluations are designed to set clear direction and drive the appropriate legislative, regulatory and policy reform in jurisdictions that are not compliant with FATF standards and recommendations.

## **FATF Mutual Evaluation Methodology**

FATF Mutual Evaluations are comprised of two critical components: [Technical Compliance and Effectiveness](#).

### ***Technical Compliance***

- Technical Compliance addresses the specific requirements of each FATF Recommendation as they relate to the jurisdiction's legal and regulatory framework in addition to the powers and procedures of a jurisdiction's regulatory authorities.

### ***Effectiveness***

- Effectiveness addresses the extent to which the defined outcomes are achieved and how well a country's AML system works and its laws are enforced.

## **FATF Designation of Casinos**

FATF classifies casinos as a type of "Designated Non-Financial Business and Profession (DNFBP)".

In addition to casinos, the other sectors and professions categorized by FATF as DNFBPs are:

- Real estate agents
- Dealers in precious metals and stones
- Lawyers, notaries and other legal professionals and accountants
- Trust & company service providers

## **FATF Resources**

- [FATF Recommendations](#)
- [FATF Methodology](#)
- [2006 FATF Mutual Evaluation of the US](#)