

FATF 1ST FOLLOW-UP REPORT OF THE KINGDOM OF SAUDI ARABIA IN THE FIELD OF COMBATING MONEY LAUNDERING AND FINANCING OF TERRORISM AND PROLIFERATION

20/01/2020

According to the procedures for the FATF fourth round of the mutual evaluations, which require countries to report on progress made in adhering to the international standards relating to Anti-Money Laundering (AML), Combating Financing of Terrorism (CFT) and Proliferation (CPF), the Anti-Money Laundering Permanent Committee (AMLPC), located at the Saudi Arabian Monetary Authority, in cooperation with the Permanent Committee for Combating Terrorism Crime and its Financing (PCCT), the Permanent Committee for Implementing Security Council Resolutions in accordance with Chapter VII, and the Permanent Committee for Legal Assistance Requests, prepared the 1st follow-up report of the Kingdom in its Technical Compliance and Effectiveness sections.

The report describes the Kingdom's efforts and measures in the field of AML/CFT/CPF since the adoption of the Mutual Evaluation Report (MER) in June 2018. FATF discussed the report at its Plenary Meeting held from 16 to 18 October 2019. The report was approved and published on 17 January 2020.

The report shows the Kingdom's progress made in the level of compliance with International Standards, as the Kingdom became Compliant and Largely Compliant in (38), instead of (36) Recommendations of the FATF's 40 Recommendations, making it among the advanced countries in terms of complying with international standards in this field. As a result of the competent authorities efforts, FATF has now re-rated the following Recommendations:

R.6 (Targeted financial sanctions related to terrorism and terrorist financing) from partially compliant to largely compliant;

R.7 (Targeted financial sanctions related to proliferation) from partially compliant to largely compliant.

On the other hand, R.2, R.18, & R.21 have been rated as Largely Compliant, as a result of recent changes in the FATF requirements. These recommendations are related to national cooperation and coordination; internal controls and foreign branches and subsidiaries; and tipping-off and confidentiality.

It is worth noting that the framework of AML/CFT/CPF in the Kingdom was assessed by FATF and MENAFATF and the MER was adopted in June 2018.

The competent authorities in the Kingdom are working to achieve the National Strategic Objectives to combat money laundering and terrorism financing and implement the Action Plan approved by the Council of Ministers, which aims to enhance the effectiveness of measures taken to combat such crimes. On the other hand, the Action Plan affirms the solid and continuous commitment of the Kingdom's implementation of International Standards and requirements for monitoring and combating these crimes.

The progress made in the follow-up process comes as a result of the ongoing support to the concerned authorities by the Supreme Royal Court in the implementation of the international standards issued by the FATF, which the Kingdom joined as the first Arab State in June 2019.