



EU AML / CFT GLOBAL FACILITY

EDITION 18 - OCTOBER 2025

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ESAAMLG & EU GF Regional Conference on Rec 8
Johannesburg – March 2022



Training on Strategic Approach and Gaming
Maputo – October 2023



Preparations for the ICRG Joint Group visit
Maputo – July 2025



Train the Trainers on ESAAMLG BO Toolkit
Cape Town – February 2025

SPECIAL EDITION

South Africa and Mozambique delisted by the FATF



FATF Standards Training Course for ESAAMLG
Cape Town – January 2024



Beneficial Ownership workshop
Maputo – February 2023



Regional FATF Rec 8 Consultations
Cape Town – May 2023



Scoping mission to South Africa
Pretoria – August 2022



Launch of the TACC
Maputo – February 2023

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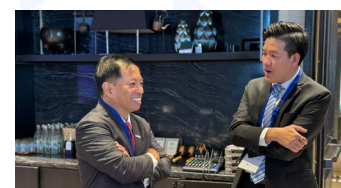
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Where we worked

August – October 2025



EU AML / CFT
GLOBAL FACILITY

Moldova

Outreach to NPOs on the results of the NPO Risk Assessment
Conference on Intelligence to Evidence
Presentation of the Legal Innovations Report

Ukraine

E-workshop on the FATF updated standards
E-workshop: support on the creation of BO Registers for Trusts

Kyrgyzstan

Scoping mission

Japan

Participation in the APG Plenary

Bhutan

Workshop on the NPO Risk Assessment

Thailand

Regional Conference on Proliferation Finance – joint with EUP2P and APG (see p.6–7)

Sri Lanka

Scoping mission
E-training on FATF Rec 8
E-workshop on Mutual Legal Assistance

Cambodia

Scoping mission
Onsite workshop on National Coordination
Onsite workshop on IO 4

Mauritius

Support on FATF Rec 8
E-training on statistics
Training to the Gambling Regulatory Authority
Workshop on national coordination and kick-off of the SAMLM project

Angola

Onsite workshop on Turning Financial Intelligence to Evidence

Namibia

Series of e-session on "BO Register Implementation and Management"

Lebanon

Launch of TA on BO with e-workshop on BO Register Implementation and Management

Kuwait

Launch of TA with e-workshop on BO

Bosnia and Herzegovina

FATF Rec 8 workshop for the authorities and NPOs – jointly with EU4BiH

Argentina

Support on FATF Rec 8 on the NPO Sector

FATF Delisting

In October 2025, the FATF announced the removal of South Africa and Mozambique from its list of jurisdictions under increased monitoring, known as the "Grey List".

The EU Global Facility on AML/CFT warmly congratulates its two partner countries on their significant achievement, which demonstrates their sustained commitment to combating money laundering and terrorist financing.

South Africa

Our partnership with South Africa started back in March 2022, and continued through the following three years, covering a broad range of topics. Overall, our team of experts delivered **25 technical assistance activities**, including **5 regional activities** hosted by the Republic of South Africa.

Activities covered the entire financial investigation and penal chain, from support on the NPO Sector (FATF Recommendation 8), Beneficial Ownership, training for prosecutors and investigators, and our workshop on Turning Financial Intelligence into Evidence, among many others.

As Pieter Smit, Acting Director at the Financial Intelligence Centre of South Africa, said on the occasion of a workshop in Pretoria back in February 2025, "South Africa is a regional hub that provides access to the international financial system to the countries of the region. It is our responsibility to be vigilant and able to address the criminal money that flows in the region as well."

EU Global Facility's support has been very, very valuable to South Africa.

Pieter Smit
FIC Acting Director

"The collaboration with the EU Global Facility has really added practical value to the work that South Africa has been doing, and it's put us in a better position now to deal with the problems that we are facing in terror financing, investigations and the prosecution of money laundering."

In a video interview (click below), he speaks of the crucial work undertaken on the BO Register, ML/TF risks in the NPO sector and various risk assessments.



Interested to learn more about our engagement with South Africa ?

[Head to this webpage](#)

Mozambique

In October 2022, the EU Global Facility conducted its first scoping mission to Maputo, following a request for technical assistance formulated by the country.

Three years down the line, we are delighted to see our partner country recognised for its efforts on AML/CFT. With more than **25 sessions** covering the areas of gambling, statistics on AML/CFT, Beneficial Ownership, national coordination and preparations for the FATF Joint Group visit, our partnership has been unwavering.

What have been our main areas of collaboration?

- **National Coordination** through the creation and implementation of the Technical Assistance Coordination Committee, or "TACC". Developed in various EU GF partner jurisdictions, a TACC aims to support and coordinate the country's efforts on AML/CFT during the ICRG process. In Mozambique, the TACC included the various providers of technical assistance such as the IMF, the World Bank, the Basel Institute on Governance, and various embassies. Read about the [first TACC meeting here](#). Technical assistance also included extensive support for the preparation of the country's progress reports and mock F2F exercises over the years.
- **Beneficial Ownership**: through multiple workshops and expert missions, we supported Mozambique in drafting comprehensive BO guidance, training hundreds of stakeholders from financial institutions and supervisory bodies, and strengthening the country's compliance with FATF standards on transparency.
- **Gaming sector**: the EU Global Facility experts delivered more than 10 targeted training sessions –both online and onsite– to gaming operators, casino professionals, and inspectors from the General Inspectorate of Games, strengthening their understanding of AML/CFT obligations, risk assessment, and suspicious transaction reporting.
- **Preparation for the Joint Group visit**: as the country prepared for the FATF Joint Group onsite visit, our experts conducted an intensive three-day simulation workshop in Maputo, bringing together public and private stakeholders. This simulation was followed by a high-level meeting with the Prime Minister, and Executive Coordination Committee demonstrating strong political commitment. Read about it on the [EEAS website](#).



Do you want to learn more about our engagement with Mozambique ?

[Head to this webpage](#)



We extend our most sincere appreciation to the EU Delegations to Mozambique and to South Africa for their continued support to our activities and engagement with the countries !

Proliferation Finance

EU P2P, EU Global Facility and APG join forces during Regional Conference on PF for Southeast Asian nations

On 7-8 October 2025, representatives from 9 Southeast Asian countries convened in Bangkok, Thailand, for a regional conference on proliferation financing, jointly organised by the EU Global Facility on Anti-Money Laundering and Counter Terrorist Financing, the EU Partner-to-Partner (P2P) Export Control Programme for Dual-Use Goods, and the Asia/Pacific Group on Money Laundering (APG).

Proliferation finance – the act of providing funds or financial services to support the development, production, or acquisition of weapons of mass destruction – has emerged as a significant threat requiring a coordinated international response. With increasingly stringent international obligations, many countries are required to adopt and implement robust regulatory frameworks to effectively address and mitigate proliferation finance risks.

“PF is like looking for a needle in a stack of needles. It's not a haystack, it's a needle stack, because all financial crimes look alike.

Amr Rashed
Head of International Cooperation at the Egyptian FIU
EU Global Facility expert

“The proliferation financing ecosystem is extremely challenging: it is a continuously evolving threat that is diversifying rapidly. It crosses a number of borders but also sectors, and it requires a really significant response,” explained Suzie White, Director of Training and Capability at the APG Secretariat.



Southeast Asia faces heightened threats of PF due to its geographical proximity to key proliferation concerns. © 2025/EU Global Facility



The conference brought together 30 government officials, regulators, and financial intelligence experts from 8 ASEAN members (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, Thailand, Vietnam) and Sri Lanka. Together with EU and APG experts, they addressed both strategic and operational dimensions of PF, covering emerging trends in virtual assets, the evolving regulatory landscape under the FATF framework, and practical tools for conducting effective PF national risk assessments.

The rise of cryptocurrency, in particular, raised great interest from the audience. EU Global Facility expert Amr Rashed explained the scale of the problem, highlighting how billions of dollars in virtual assets flow to sanctioned regimes, making it "the wholesale market compared to retail" when compared to traditional finance.

As Dooyoung Kim, Policy Analyst at the FATF, noted, "a global problem requires a global solution and regional forums like this one organised by the EU GF and EU P2P helps bring countries with different experiences and expertise together. This is crucial to promote a shared, harmonised understanding of the evolving threats and vulnerabilities."

The conference is expected to produce tangible outcomes: a handbook of lessons learned and best practices, as well as a comprehensive catalogue of regional PF risks to support risk assessments.

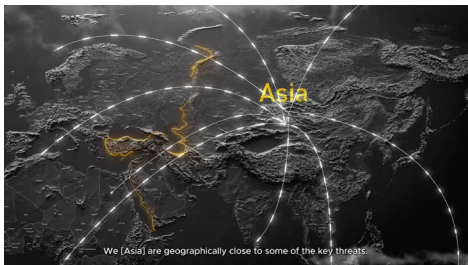
With the EU AML/CFT Global Facility and the EU P2P Export Control Programme joining forces, this conference further demonstrated the European Union's commitment to global security, supporting partner countries in their efforts to counter the proliferation of weapons of mass destruction.

Interested to learn more? Read our [in-depth article](#)

Only 16% of countries have received a passing grade in effectively implementing targeted financial sanctions, meaning the vast majority are not effectively freezing assets or preventing funds from reaching proliferation financing actors and networks.

Dooyoung Kim
FATF Policy Analyst

Watch the Video Wrap-Up of the Conference



Closing the Statistics Gap

GAFILAT, EU Global Facility unveil statistics handbook to help countries demonstrate effectiveness



The 4th Round of GAFILAT Mutual Evaluations revealed a recurring challenge: many countries struggled to compile, maintain, and present reliable statistics to demonstrate the effectiveness of their AML/CFT systems. Without robust data, it becomes harder to show progress, identify weaknesses, and implement reforms.

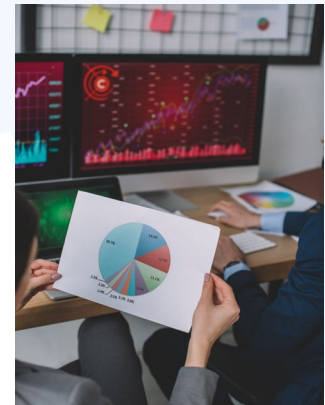
To address this, GAFILAT, with the support of the EU AML/CFT Global Facility, developed a **Handbook for Strengthening Statistical Processes and Tools to Demonstrate Effectiveness**.

Composed of a handbook, methodical guidelines and various templates, these publications aim to equip authorities with practical tools to strengthen their statistical systems in line with FATF Recommendation 33.

Why are statistics so important in AML/CFT ?

Statistics are at the heart of effective AML/CFT supervision and mutual evaluations. Strong, reliable data is essential for demonstrating compliance and identifying risk.

- Firstly, statistics enable countries to gain an accurate understanding of their **ML/TF threats and vulnerabilities and to identify structural gaps**.
- They can then help jurisdictions make **strategic resource allocation** decisions based on risk.
- Finally, and crucially, statistics can **support countries' mutual evaluation conclusions** with verifiable evidence instead of assumptions.



This is why the EU Global Facility is delighted to have jointly developed this comprehensive handbook with GAFILAT, and why expanding its reach globally matters.

A collaborative success with a global reach

Originally developed in Spanish for GAFILAT jurisdictions, the handbook was **translated into English** and presented during the FATF Plenary Week in Paris in October 2025.

As a technical assistance provider, the EU Global Facility is seeing firsthand the growing demand for guidance on FATF statistics from jurisdictions across Africa, Asia, and beyond.

By sharing this resource through FATF's global network of regional bodies, we want to ensure that countries worldwide, from Mauritius –where the handbook will be presented during an onsite mission in early 2026– to partner jurisdictions across different regions, can access the same tools and methodologies to strengthen their statistical frameworks.

For anyone interested in using this report or associated templates, please address your requests to GAFILAT Secretariat at contacto@gafilat.org

Long Read

Implementing the FATF's New Guidance on Financial Inclusion

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Under its Mexican Presidency (2024–2026), the Financial Action Task Force (FATF) has made it a priority to enhance risk-based implementation of its anti-money laundering and counter-terrorist financing (AML/CFT) standards as a vital means of enhancing global financial inclusion. Recognising how disproportionate anti-financial crime measures have yielded unintended consequences including the alienation of underserved communities from the formal financial system, in July 2025 the FATF issued new guidance to support public and private sectors in advancing financial inclusion. With accompanied complementary changes to the FATF Recommendations and Methodology, **states now need to demonstrate concrete steps towards incorporating consideration for financial inclusion** into their AML/CFT regimes, making what may have been thought of as a “nice to have” into a compulsory “need to have”.

What is Financial Inclusion ?

The latest FATF guidance builds upon previous guidance from 2013, supplemented in 2017, including in how financial inclusion is conceptualised. The 2017 definition of financial inclusion emphasised providing access to “an adequate range of safe, convenient and affordable financial services to disadvantaged and other vulnerable groups”. The 2025 guidance goes beyond this understanding to emphasise **usage** as well as **access**, underscoring the reality that mere access to financial services without accompanying active uptake of those services and financial literacy does little to move the dial on serving the underserved. In this way, policymakers and financial

institutions are given impetus to consider how the design of policy and financial products can not just improve access among the un- and underbanked, but how these can meet their distinct financial needs and correspond to their realities.

What Drives Financial Exclusion ?

The FATF's guidance suggests that the greatest impediments to financial inclusion stem from inadequate implementation (or perhaps understanding) of the risk-based approach (RBA), a cornerstone of the entire FATF approach to AML/CFT contained within FATF's Recommendation 1. At its core, the RBA requires that all mitigating measures – whether they be national-level regulations, or the customer due diligence requirements of a financial institution – are **proportionate** to the degree of assessed risk, which is virtually always based on a risk assessment exercise.

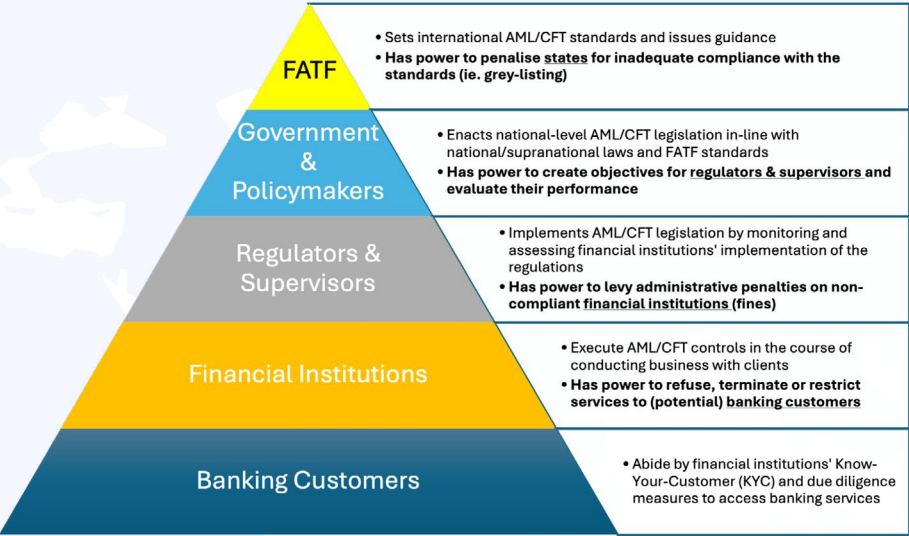
“ Mere access to financial services without accompanying active uptake and financial literacy does little to move the dial on serving the underserved.

Financial institutions are therefore called upon to embrace the inherent flexibility in the RBA

to design AML/CFT controls that are proportionate to the degree of identified risk of money laundering or terrorism or proliferation financing, including simplified AML/CFT measures for lower risk scenarios and customers.

Financial exclusion tends to occur where over-earnest efforts to safeguard the integrity of the global financial system leads financial institutions to refuse, terminate or restrict banking services, like current accounts or loans, to individuals or groups to avoid financial crime risks instead of assessing and managing those risks. In other words, an overly cautious approach to implementing AML/CFT measures, one which is greater than the identified degree of risk and thus disproportionate, yields an unintended consequence of excluding legitimate customers from the formal financial system. The greatest burden of this effect typically falls on underserved communities in poor, rural or politically fragile contexts.

This behaviour on the part of financial institutions can be understood as a consequence of a hierarchical financial compliance structure (see Figure 1), whereby the threat of sanction from above for supposed AML/CFT deficiencies compels each level of the hierarchy to be overcautious and/or rigid in its financial crime risk tolerance, oftentimes leading to over-implementation or “gold-plating” of compliance measures.



The hierarchy of AML/CFT regulation and policy. Each level of this hierarchy receives instruction and faces scrutiny and possible sanction from their immediate superior (or, in the case of banking customers, face being de-banked or financially excluded).

Despite this hierarchy, the RBA as conceptualised by FATF infers the necessity of a “non-zero failure” approach to financial risk management (para 129), which recognises that, even after assessing risks and devising proportionate mitigating measures, some residual risk remains. Condoning some inevitable residual risk must therefore be enshrined at the top of the hierarchy and be allowed to cascade downward, with adequate assurances provided to each level that flexibility and bearing the acceptable level of residual risk required to financially include the underserved will not invite penalty.

The FATF’s new guidance seeks to achieve just this.

The Downward Cascade: Putting Guidance into Practice

Each stage of the hierarchy mentioned above is called upon by the FATF to adjust their practices to allow for this non-zero failure positioning, a necessary condition for enhancing financial inclusion.

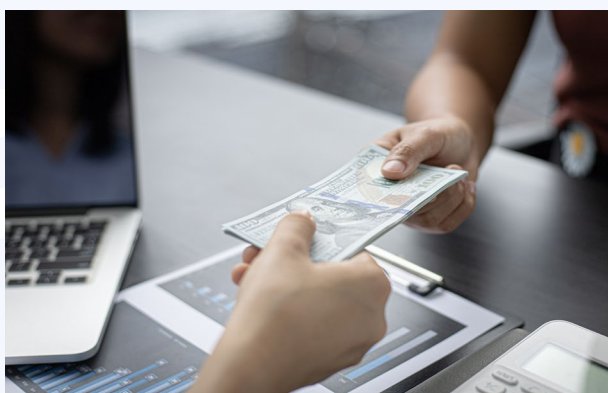
Government and Policymakers

Starting with the governments and policymakers that implement FATF standards into national laws and measures, the FATF has made clear in changes to the Interpretive Note to Recommendation 1 (and mirrored in its updated Methodology) that states “should **identify area(s) of lower risk** to support financial institutions and DNFBPs [designated non-financial business and professions] to apply measures proportionate to those risks”. Revisions go on to stipulate that “where lower

risks are identified, financial institutions and DNFBPs should be **allowed and encouraged** to take simplified measures to manage and mitigate those risks”. As such, in designing the AML/CFT legal framework within which supervisors and financial institutions and DNFBPs (together known as “obliged entities”) operate, policymakers must set a tone from the top in legislation that simplified measures are expressly permitted and desirable for lower-risk situations. Overly rigid legal frameworks breed timidity and engender a chilling effect that cascades down the above-mentioned hierarchy, serving to stifle efforts on the part of obliged entities to adjust their compliance measures to be proportionate with assessed risks.

Regulators and Supervisors

A major addition to the revised financial inclusion guidance is its much-expanded consideration of the role of financial regulators and supervisors in supporting inclusive financial systems. For these bodies, the **RBA manifests in two domains**: (i) given necessarily limited resources and time, supervisors must target their monitoring activities on where the greatest risk lie, while (ii) assessing the risk-based nature of obliged entities’ compliance measures, including their effectiveness and proportionality to identified financial crime risks.



Supervisors must also embrace and act in accordance with an uncomfortable but important truth: that risk assessment and the design of proportionate mitigating measures cannot eliminate all financial crimes risks – residual risk will remain and, occasionally, illicit activity will occur. In-line with that non-zero failure positioning, the FATF encourages regulators and supervisors to **distinguish and specify between instances of isolated failures of good compliance systems among their supervisees (within which residual risk may show up – or a “good fail”) and systematically insufficient systems (a “bad fail”)**. Communicating

this distinction to obliged entities themselves is needed to maintain a regulatory environment conducive to financial inclusion, including one which continues to encourage simplified measures for lower-risk scenarios and customers, even in the face of occasional “good fail” situations.

The guidance also underscores the importance of **common risk understanding between supervisors and obliged entities**, to forestall circumstances where, unsure whether their supervisor will concur than a scenario or customer is low risk, will hedge against being penalised by withholding simplified measures.

Supervisors are also encouraged by the FATF to support obliged entities with determining acceptable forms of identification where customers lack certain forms of documentation such as national ID cards, and to articulate in precisely what circumstances simplified measures may be implemented. By offering these assurances, the supervisor establishes confidence among obliged entities that they may do their part to foster financial inclusion by extending simplified due diligence measures to lower-risk customers, free from fear of enforcement action or administrative penalties.

Financial Institutions

Sitting at the bottom of the hierarchy and directly interfacing with the (potentially) financially excluded, financial institutions may be driven to “gold-plate” AML/CFT compliance owing to several concerns they face (para 104), all of which disincentivise them from adopting proportionate, simplified measures for low-risk scenarios or customers.

Banks may receive **unbalanced messaging** from supervisors or regulators that overemphasise the need for enhanced due diligence for higher-risk situations, and underemphasise the inverse (simplified due diligence for lower-risk situations). Further, shouldering residual risk is uncomfortable for firms given the **reputational risks** this poses, particularly concerning potential terrorism financing, which



risk assessment and the design of proportionate mitigating measures cannot eliminate all financial crimes risks.

are beyond the powers of regulators to assuage. Maintaining **correspondent banking** relationships also pressures firms to adopt the possibly more conservative risk tolerances of international counterparts, who may be less willing to process transactions for customers that the respondent bank deems to be lower-risk, but which they (the corresponding bank) deems to be higher-risk.

Here, financial institutions' provision of bank accounts or other financial service to underserved communities is contingent on successful implementation of the FATF guidance at all preceding levels of the hierarchy. Only then can obliged entities afford simplified measures and adapt customer identification and verification practices to meet the realities of underserved communities, many of whom lack commonly accepted forms of ID or transaction or credit histories in the regulated financial sector.

In many cases, a **progressive or tiered approach** to customer due diligence has allowed obliged entities to offer financial products like bank accounts with functionality that corresponds with the level of due diligence performed. Simply put, accounts with strict transaction limits or balance thresholds can be afforded to customers after only minimal identification and verification, with higher limits and functionalities offered if/when the customer can provide additional information. Recalling the FATF's enhanced definition of financial inclusion, however, even basic accounts would need to be commensurate with the financial needs of customers to yield positive financial inclusion outcomes (ie. if balance thresholds are so low as for the account to be of no use to the customer, who must instead compensate with informal systems to meet their needs, the customer has not been genuinely incorporated into the formal financial system).



Conclusion

Apart from concrete revisions to the FATF Standards and its Methodology that are intended to further embolden the RBA and advance financial inclusion, states should also take from the FATF's latest guidance an appreciation that **financial exclusion is a risk to financial integrity in its own right**.

When alienated from the formal financial system, underserved persons must rely on informal and unregulated alternatives to meet their needs, generating an overreliance on cash and driving informal economic systems lacking in transparency and which are conducive to money-laundering, terrorism financing and other threats to the integrity of the financial system. This conceptualisation brought by the FATF ought to shift perceptions away from financial inclusion being seen as a separate aim of economic development practices, and towards embracing a view of complementarity between financial inclusion and the overall fight against illicit finance.

Coming Up

In the coming months, the EU Global Facility will continue working with its partner countries, through online and onsite activities.

Take a peak at a few of them below and stay up to date on our [website](#) and [in](#).

Guatemala:

A delegation from the EU Global Facility will participate in the GAFILAT Plenary in December 2025.

Ukraine:

In November, the EU GF will head to Kyiv, continuing to support its partner country through a mapping mission, a workshop on Ukraine's AML/CFT needs for EU integration and a workshop on BO Registry.

Lebanon:

Our support on BO, initiated in September, will continue through an onsite scoping mission to Beirut in November.

Cambodia:

Our support to Cambodia, launched in October, will continue with the organisation of our Intelligence to Evidence workshop online in November.

GAFILAT Statistics

Following the presentation of our joint Statistics publications (see p.8), the EU GF and GAFILAT will join forces again to deliver a series of e-training to the 18 GAFILAT jurisdictions. These sessions will aim to enhance countries' capacities on statistics ahead of their mutual evaluations.

Vanuatu

Following a request for technical assistance and meetings on the sidelines of the APG Plenary in August, the EU Global Facility will begin its engagement with Vanuatu. It will start with the online delivery of our flagship training on Intelligence to Evidence.

FATF Rec 8 Support to ASEAN countries

The EU GF will partner with the EU-funded ESIWA project, through the co-organisation of a regional conference on the new FATF Rec 8 standards. The event will involve 10 countries of the region as well as the ASEAN Secretariat.



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**ANTI-MONEY LAUNDERING AND
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