



SAUDI ARABIA ACHIEVES FULL MEMBERSHIP IN THE FINANCIAL ACTION TASK FORCE (FATF)

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On Friday, June 21, the Financial Action Task Force (FATF) granted the Kingdom of Saudi Arabia full membership. **Saudi Arabia is the first Arab country to gain membership to the elite inter-governmental body**, underlining its commitment to leadership in the region and around the world on combating terror financing.

This significant milestone demonstrates Saudi Arabia's sustained and institutional engagement on combating the scourge of terrorist financing around the world. The Kingdom's official accession to FATF will take place in October 2019.

The Financial Action Task Force is an inter-governmental body dedicated to promoting the effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other threats to the integrity of the international financial system. **Membership requires a full endorsement of FATF practices.**

SAUDI ARABIA ACHIEVES HIGH LEVEL OF COUNTER TERROR FINANCING “COMPLIANCE & EFFECTIVENESS”

Saudi Arabia was first granted FATF Observer Status in June 2015 in recognition of its substantial role in combating money laundering and terrorist financing.

Saudi Arabia's accession to the FATF was approved after the conclusion of a rigorous mutual evaluation process, concluding that Saudi Arabia has achieved a **high level of compliance and effectiveness** in enacting processes to combat the financing of terrorism and money laundering.

“Saudi Arabia has demonstrated an ability to respond to the dynamic terrorism threat it faces in country. Saudi Arabian authorities have the training, experience and willingness to pursue terrorist financing investigations in conjunction with and alongside terrorism cases.” – FATF Mutual Evaluation Report, September 2018

Adoption of all 40 key FATF recommendations, along with a full endorsement of FATF practices, is necessary for full membership in the body.

Highlights of the Kingdom's key achievements in the field of countering terrorist financing compliant with FATF recommendations include:

- The Saudi Arabian Monetary Agency (SAMA) requires **all financial institutions** within the Kingdom’s jurisdiction to implement all of the recommendations for combating money laundering and the financing of terrorism issued by FATF.
- The Saudi government established the Saudi Arabian Financial Intelligence Unit to **collect and share information on suspicious financial transactions**. In 2015, Saudi Arabia intensified its campaign against money laundering by requiring financial institutions to verify customers’ identities and by placing restrictions on non-residents’ ability to open accounts in the country.
- Saudi Arabia has enacted a **significant crackdown** on illicit money transfers. According to a FATF official, the Kingdom’s regulations to control suspicious financial transactions “probably go further than any country in the world.”
- According to the mutual evaluation report conducted by FATF to approve the Kingdom’s membership: “**Inter-agency policy coordination and cooperation is a significant strength of the Saudi system**. Saudi Arabia has developed a good understanding of its money laundering and terror financing risks through its national risk assessments, using a robust process and a wide range of information. Saudi authorities have introduced a number of measures to address specific risks identified prior to the recent NRAs.”

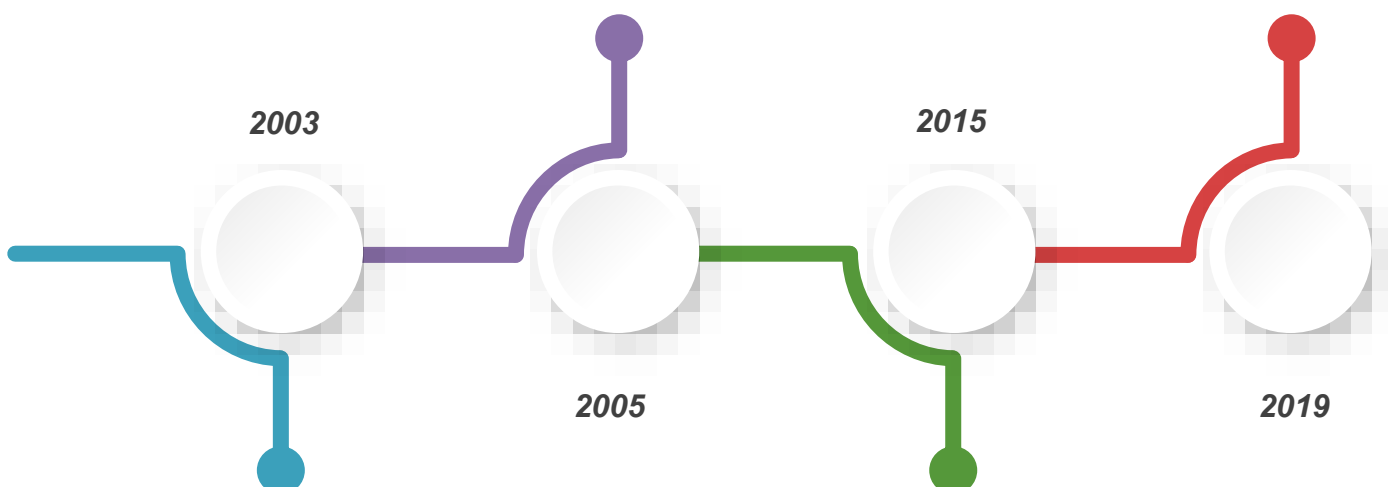
In addition to its strong institutional enactment of FATF requirements, Saudi Arabia carried out over 1,700 investigations and convictions of terrorist financing since 2013.

A ROBUST HISTORY OF ENGAGEMENT

Saudi Arabia’s engagement with and adoption of FATF best practices and recommendations began far before its official accession to the group.

Saudi Arabia’s Council of Ministers vote to approve Saudi Arabia’s membership to FATF sub-organization, the Middle East and North African Financial Action Task Force.

Saudi Arabia achieves full membership to FATF, demonstrating a high level of compliance and effectiveness in countering terror financing.



Saudi Arabia establishes its Anti Money Laundering / Combating the Financing of Terrorism regime.

Saudi Arabia is granted observer status for FATF, beginning the process of mutual evaluation for full membership.