



Global Digital Finance initiates a FATF Steering Committee to foster collaboration to establish global standards and a governance model for VASP compliance with Financial Action Task Force (FATF) Recommendation 16

Hong Kong, London and New York – 12 September 2019: Global Digital Finance (GDF), the industry body driving standards and best practices to accelerate adoption of digital finance announces today that it has convened a cohort of global digital asset exchanges (Virtual Asset Service Providers “VASP’s” as described by the FATF) to collaborate on defining global standards and establishing a governance model for compliance with the new FATF Recommendation 16, (the “wire transfer rule”).

FATF ratified their new guidance in late June 2019, including Recommendation 16, which requires VASP’s to send both originator and beneficiary information with every VASP to VASP transaction, which mirrors the US Travel Rule for wire transfers. However, a technical solution and governing body to oversee compliance does not exist today. FATF have confirmed that they expect the industry to collaborate to find a solution to ensure compliance and will reassess the industry’s progress toward establishing a solution in June 2020.

To support a positive outcome for the wider digital asset industry, GDF has established the FATF Steering Committee, a productive alliance of both GDF members VASP’s and non-Member VASP’s and digital asset participants who seek to collaborate to address an industry solution for FATF Recommendations 16 and effectively define data and operational standards and a governance mechanism to oversee compliance.

“FATF’s mandate is to provide recommendations and measure effectiveness of implementation,” says GDF’s executive director, Teana Baker-Taylor. “Recommendation 16 is an opportunity for the digital asset community to come together to articulate global standards around data requirements and operational practices whilst simultaneously assessing technological solutions”.

“The industry agrees that governance and standards will underpin the success of technical solutions to Recommendation 16. Implementing technical solutions without considering standards will lead to fragmentation, increased costs, and create market liquidity risk. GDF offers the ideal forum for VASPS to co-develop the most effective approach by drawing on its expertise in standards development”, says GDF’s FATF Steering Committee Chair, Malcolm Wright.

GDF continues to engage in outreach with global regulators, standard setting bodies and non-governmental organisations through the development of the Code to help provide a consistent professional voice of responsible industry practitioners.

Three new draft Code of Conduct Principles, including a global Code of Conduct for AML & KYC have recently undergone public consultation and will be reviewed by the GDF community in open plenary during the next Global Summit on 2 October 2019. During the Summit, these Code Principles will be reviewed and ratified by the GDF community and incorporated into the [GDF Code of Conduct](#).

[Part VI – Principles for Stablecoin Issuers](#)

[Part VII – Principles for Security Token Offerings & Secondary Market Trading Platforms](#)

[Part VIII -Principles for Know Your Customer \(KYC\) & Anti-Money Laundering \(AML\)](#)

For more information, contact hello@gdf.io

About Global Digital Finance (GDF)

GDF is an industry membership body that promotes the adoption of best practices for crypto and digital assets and digital finance technologies, through the development of conduct standards, in a shared engagement forum with market participants, policymakers and regulators.

GDF is proud to include Circle, Coinbase, ConsenSys, DLA Piper, Diginex, Huobi, Hogan Lovells, and R3 as patron and founding members.

Global Digital Finance endeavours to drive efficient, fair and transparent crypto asset markets by building a knowledge base and best practice for “Truly Digital” finance and the benefits tokens can bring all market participants. We promote an inclusive vision in which crypto assets and token markets can evolve and grow in complement within traditional financial services.