

GDF RESPONDS TO THE UPDATED AML FATF GUIDANCE

Global Digital Finance (GDF), the cryptoassets and digital finance industry membership body, has responded to the latest guidance on crypto from the Financial Action Task Force, the global Anti-Money Laundering (AML) watchdog.

The association's AML Working Group made up of a significant group of members' compliance expert led by Malcolm Wright, GDF's Advisory Council Chair participated in the FATF consultation earlier this year.

Malcolm Wright said *"The revised FATF guidance has been significantly updated to provide greater clarity to both jurisdictions seeking to regulate as well as for the industry in terms of what compliance would look like in a domestic crypto legislative regime. Clarifications have been provided on some fundamental concepts such as screening deposits and withdrawals for sanctions using not only blockchain analytics but screening of names against sanctions lists, as well as those elements of a DeFi ecosystem that should be regulated."*

"Whilst the definition of a VASP remains the same, the inclusion of proliferation financing brings the guidance into line with the broader FATF remit. There is brief mention of NFTs that countries should consider whether NFTs might fall under the remit of an AML regime on a case-by-case basis."

GDF continues to work closely with the FATF Virtual Asset Contact Group (VACG) as well as individual regulators around the globe to support a public-private dialogue in promoting best practice adoption of regulations and compliance. GDF encourages membership of the AML Working Group specifically to drive this initiative as the more members that participate, the more effective the dialogue will be.

Lawrence Wintermeyer, GDF Exec Co-chair added *"The revised FATF guidance is a step in the right direction, and whilst there is still much work to do, the guidance visibly demonstrates the global crypto sector's commitment to engaging with regulators and agencies. FATF's commitment to engaging with and listening to the sector as part of an open and constructive industry dialogue is helping set the tone"*

for industry agency engagement models across the crypto and digital assets sector. GDF looks forward greater dialogue and commitment with agencies as the sector develops and matures.”

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For further information

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Global Digital Finance

Global Digital Finance (GDF) is an industry membership body that promotes the adoption of best practices for cryptoassets and digital finance technologies, through the development of conduct standards in a shared engagement forum with market participants, policymakers and regulators. Over 100 global organisations are members of GDF and over 350 industry professionals from around the world have worked on developing the GDF codes of conduct, the only global standard in this emerging sector.