



GDF at the FATF Virtual Assets Contact Group Meeting, 12-14th April, Tokyo

GDF was delighted to virtually attend the FATF's Virtual Assets Contact Group (VACG) meeting and its private sector outreach were held in Tokyo on April 12th – 14th, hosted by the Japan Financial Services Agency (JFSA).

Japan has prioritized the strengthening of Anti-Money Laundering/Combating the Financing of Terrorism/Countering the Proliferation Financing (AML/CFT/CPF) measures for virtual assets as a key focus during its G7 Presidency this year. The VACG takes the lead in promoting the global implementation of Financial Action Task Force (FATF) Standards on virtual assets, with active engagement from the private sector.

During the meeting, attended by officials from 19 jurisdictions and international organizations, the VACG addressed various important topics. It was agreed that continued promotion and effective implementation of the FATF standards on virtual assets, along with monitoring and exploring responses to emerging risks and growing threats, are of paramount importance. The following areas were discussed:

- Strengthening the implementation of FATF Standards on virtual assets in each jurisdiction and measures to encourage their effective implementation.
- Progress made in implementing the Travel Rule and the challenges associated with its effective implementation.
- Emerging sectors such as Decentralized Finance, unhosted wallets (including peer-to-peer payments), and non-fungible tokens (NFTs).
- Growing risks, including the theft and misuse of virtual assets by North Korea, sanctions evasion, ransomware attacks, and the misuse of virtual assets by terrorists.

Private sector participation was also significant, with approximately 80 participants from virtual asset service providers, blockchain analytics companies, industry bodies, and financial institutions from around the world actively engaging in the discussions.

Overall, the VACG emphasized the need for the FATF and each jurisdiction to maintain a strong focus on effectively implementing FATF standards on virtual assets, while remaining vigilant in monitoring emerging risks and devising appropriate responses to ensure the integrity of the virtual asset ecosystem.