

# Policy Brief



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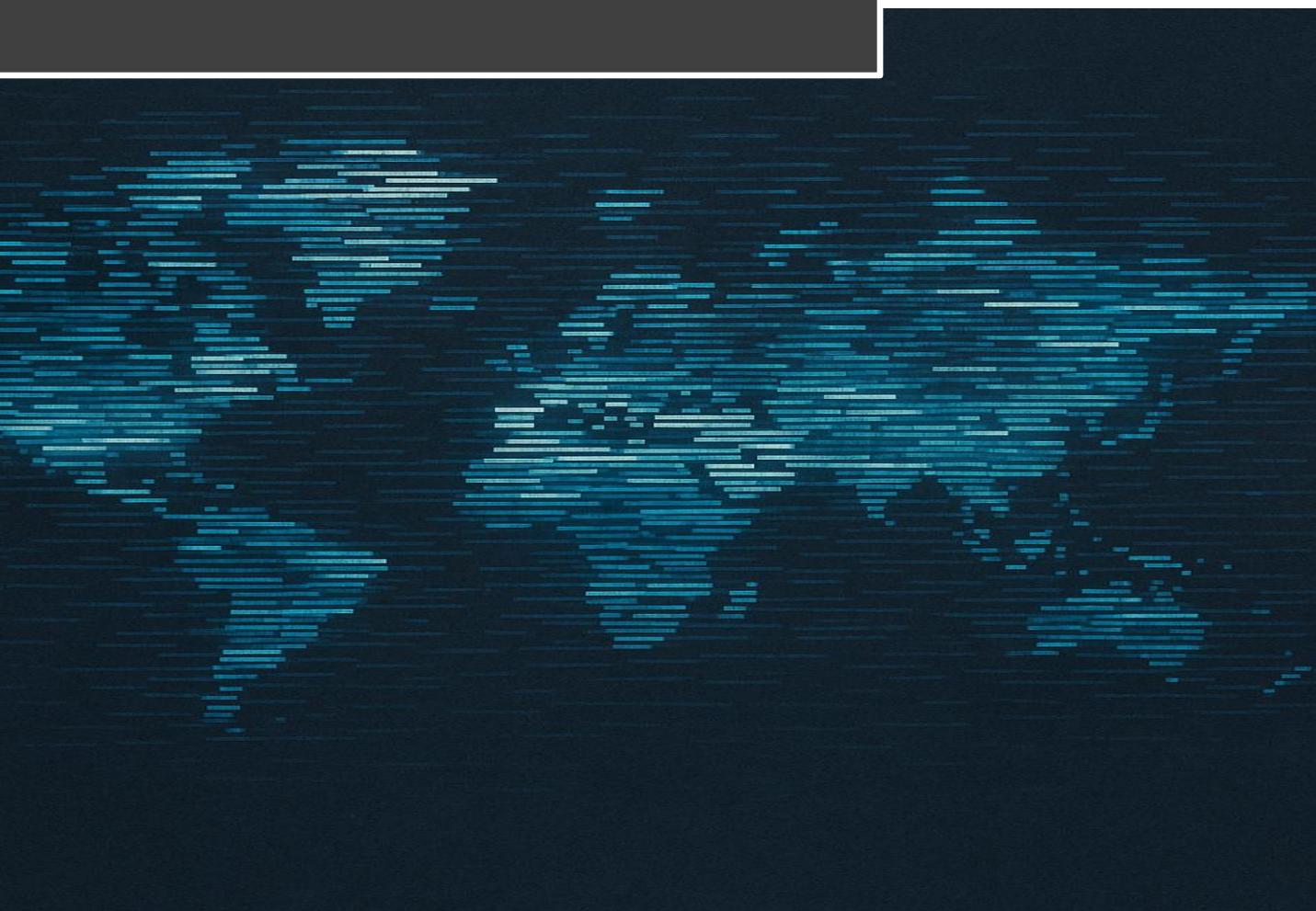


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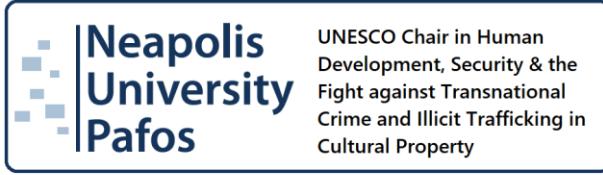
## *Financial Integrity in a New Era: Outcomes of the FATF 2025 Plenary*

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# *Financial Integrity in a New Era: Outcomes of the FATF 2025 Plenary*

## **Executive Summary**

*The fourth Plenary under the Mexican Presidency of Elisa de Anda Madrazo, held in Paris from 22 to 24 October 2025, reaffirmed the Financial Action Task Force's (FATF) mission to deprive criminals of their illicit gains through stronger global coordination, asset recovery, and technological vigilance.*

*Delegates from the FATF's Global Network—representing over 200 jurisdictions—approved a series of significant measures that collectively reinforce the architecture of global anti-money laundering (AML), counter-terrorist financing (CFT), and counter-proliferation financing (CPF) standards.*

*Key outcomes included: the adoption of new asset recovery guidance strengthening confiscation and international cooperation; the mutual evaluation reports of Belgium and Malaysia, the first under the FATF's new risk-based and time-bound methodology; the removal of Burkina Faso, Mozambique, Nigeria, and South Africa from increased monitoring following successful reforms; the endorsement of a Horizon Scan on Artificial Intelligence (AI) and deepfakes; and renewed emphasis on global cohesion through the FATF Guest Initiative.*

*Taken together, these developments reflect an increasingly pragmatic and forward-looking FATF agenda—balancing rigorous evaluation, innovation awareness, and inclusive participation in shaping the future of financial transparency.*

## **Keywords**

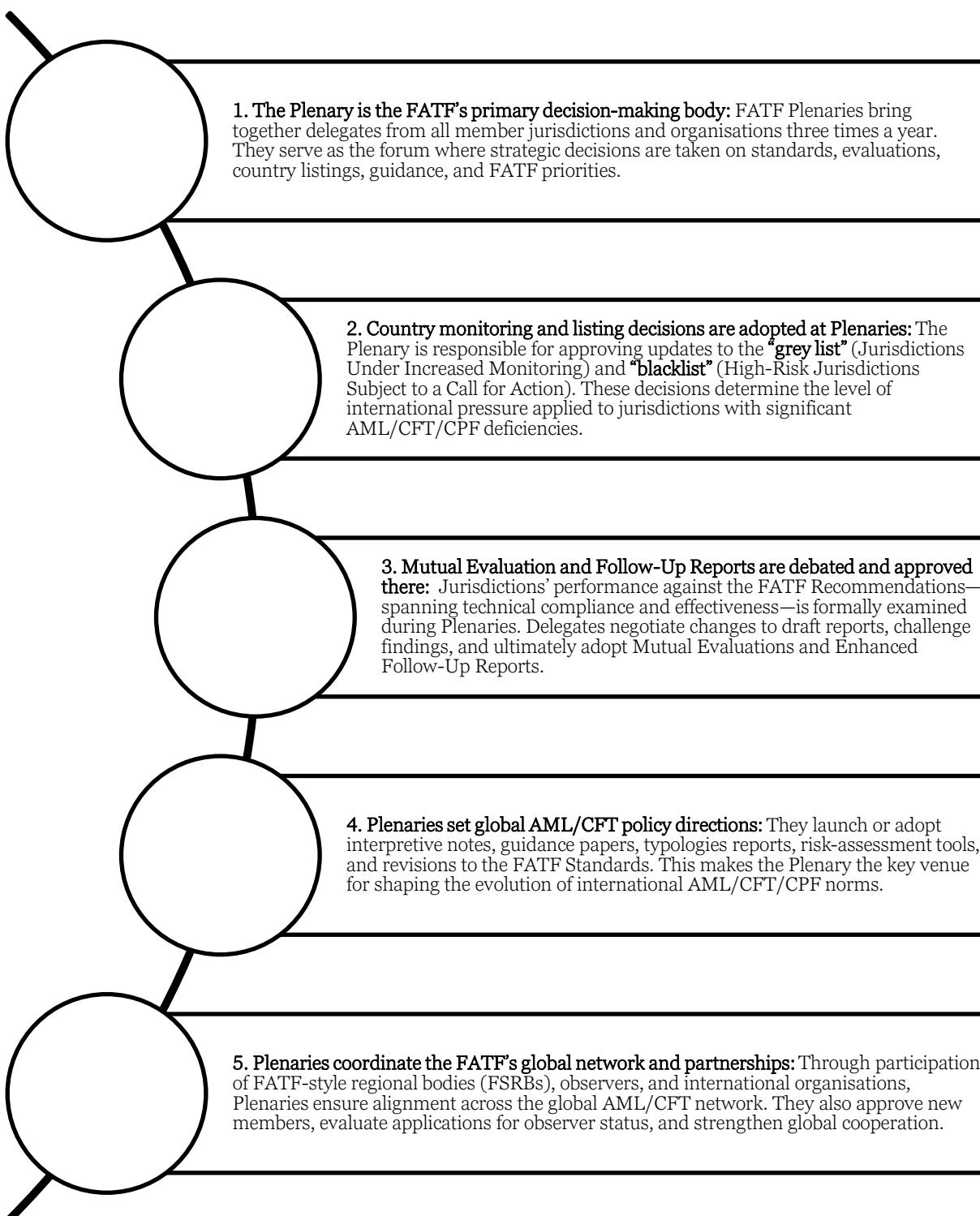
*FATF, AML/CFT, Asset Recovery, AI, Deepfakes, Mutual Evaluation, Global Network, Risk-Based Approach, Financial Integrity, Compliance, Illicit Finance.*

## **Background**

The Financial Action Task Force serves as the global standard-setter for combating money laundering, terrorist financing, and proliferation financing. Its Plenary meetings—convened three times a year—determine the strategic direction of global AML/CFT policy.

The October 2025 Plenary marked a transition to a new cycle of mutual evaluations and strategic initiatives. Under the Mexican Presidency, the FATF continues to prioritise outcomes over process, urging countries to demonstrate measurable effectiveness rather than formal compliance.

This meeting took place amid complex global challenges: the integration of new digital technologies into the financial system, persistent cross-border corruption, and the growing expectation that asset recovery should be a tangible indicator of success. The Plenary therefore functioned both as a technical forum and a political signal of renewed international commitment to closing the global “implementation gap” in AML/CFT performance.



## Policy Directions and Key Measures

**Launch of the New Round of Mutual Evaluations:** The adoption of the first two reports under the new FATF assessment methodology—for Belgium and Malaysia—marks a turning point. The revised approach shortens evaluation cycles, introduces risk-based prioritisation, and focuses on results achieved rather than procedural alignment. Each country will receive a timebound roadmap of Key Recommended Actions to be implemented within three years.

**Progress on High-Risk and Monitored Jurisdictions:** The removal of Burkina Faso, Mozambique, Nigeria, and South Africa from the increased monitoring list reflects meaningful progress in closing strategic deficiencies. These countries successfully completed their action plans within agreed timelines. Follow-up collaboration with FATF-Style Regional Bodies (FSRBs) will ensure that improvements are consolidated.

**Updated Call for Action and Jurisdictional Review:** The Plenary maintained its Call for Action on Iran and confirmed the continued suspension of the Russian Federation’s membership. These measures underscore FATF’s commitment to protecting the integrity of the international financial system.

**Strengthening Asset Recovery Frameworks:** The adoption of new Guidance on Asset Recovery provides practical measures for tracing, freezing, confiscating, and returning criminal proceeds. It highlights extended confiscation, non-conviction-based confiscation, and cross-border cooperation as central components of a modern AML toolkit.

**Emerging Technology Risks:** Artificial Intelligence and Deepfakes: The Horizon Scan on AI and Deepfakes identifies scenarios where AI can be exploited for cyber fraud, identity theft, and disinformation. The Scan provides case studies and urges integration of AI risk assessments into national AML/CFT strategies.

**Expanding Global Participation through the Guest Initiative:** The inclusion of Jamaica and Nigeria, alongside Kenya, in the Guest Initiative represents FATF’s intention to strengthen connectivity and inclusivity within its Global Network of over 200 jurisdictions.

## Implications and Challenges

The October 2025 Plenary signals a shift from policy consolidation to active performance measurement across the FATF system. However, implementation challenges remain:

**Operational Capacity:** Many jurisdictions still struggle to translate high-level recommendations into effective domestic action.

**Technological Governance:** The rapid evolution of AI, cryptocurrencies, and synthetic identities introduces new compliance risks.

**Sustainability of Reforms:** Countries exiting increased monitoring must maintain momentum beyond FATF oversight.

**Equity and Inclusion:** Ensuring that smaller or developing jurisdictions have access to technical assistance is vital.

**Coordination with Other International Actors:** Cooperation with IMF, World Bank, and UNODC is essential to align global integrity efforts.

The adoption of new tools must therefore be matched with political will, adequate funding, and commitment to long-term institutional strengthening.

## **Practitioner's Corner:**

### **Operational Insights & Strategic Considerations**

*Prepare for the New Evaluation Cycle:* Align national AML/CFT strategies with the FATF's risk-based methodology, ensuring that priorities, resource allocation, and supervisory actions reflect identified threats and vulnerabilities. Demonstrate tangible, data-driven outcomes that showcase effectiveness in practice, not just compliance on paper.

*Invest in Asset Recovery Capacity:* Establish and adequately resource specialised asset recovery offices and national asset registries to strengthen the tracing, confiscation, and management of criminal proceeds. Promote inter-agency cooperation and international coordination to recover assets across borders efficiently.

*Monitor AI-Driven Risks:* Integrate assessments of emerging technology risks—particularly those linked to artificial intelligence, machine learning, and automated financial systems—into supervisory and compliance frameworks. Encourage the responsible use of AI tools in detecting suspicious activity and mitigating new typologies of financial crime.

*Leverage FSRBs for Peer Learning:* Engage actively with FATF-Style Regional Bodies (FSRBs) to exchange best practices, address implementation challenges, and foster regional cooperation. Peer learning and mutual evaluations can enhance both technical compliance and the culture of effectiveness within national systems.

*Maintain Reform Momentum Post-Monitoring:* Ensure that reforms undertaken during mutual evaluation cycles are institutionalised through robust legislation, sustainable funding, and continuous capacity-building. Embed AML/CFT principles into the broader governance and integrity framework to prevent regression once external monitoring ends.

*Engage in Public Communication:* Publish comprehensive, accessible national AML/CFT progress reports that highlight achievements, challenges, and next steps. Transparent communication strengthens public trust, signals accountability to international partners, and reinforces the credibility of domestic reform efforts.

## Concluding Remarks

The FATF October 2025 Plenary reaffirms the organisation's role as both a standard-setter and a driver of operational change in global financial governance. Through enhanced asset recovery frameworks, forward-looking risk analysis, and a more agile mutual evaluation process, FATF is evolving into a results-oriented network focused on impact rather than formality.

The challenge ahead lies in ensuring that commitments translate into measurable improvements—stronger confiscation rates, reduced financial crime exposure, and effective adaptation to emerging technologies. Success will depend on sustained cooperation among members, mutual evaluations that drive reform rather than compliance fatigue, and continued vigilance against threats old and new.

As illicit finance grows more sophisticated, the FATF's collective resolve—to make crime unprofitable and protect financial systems worldwide—remains its most powerful asset.

## Further Reading

- FATF (2025), Outcomes of the FATF Plenary, Paris, 22–24 October 2025 ([link](#))