

Scorecard: United States

FATF Mutual Evaluation and Follow-Up Reports



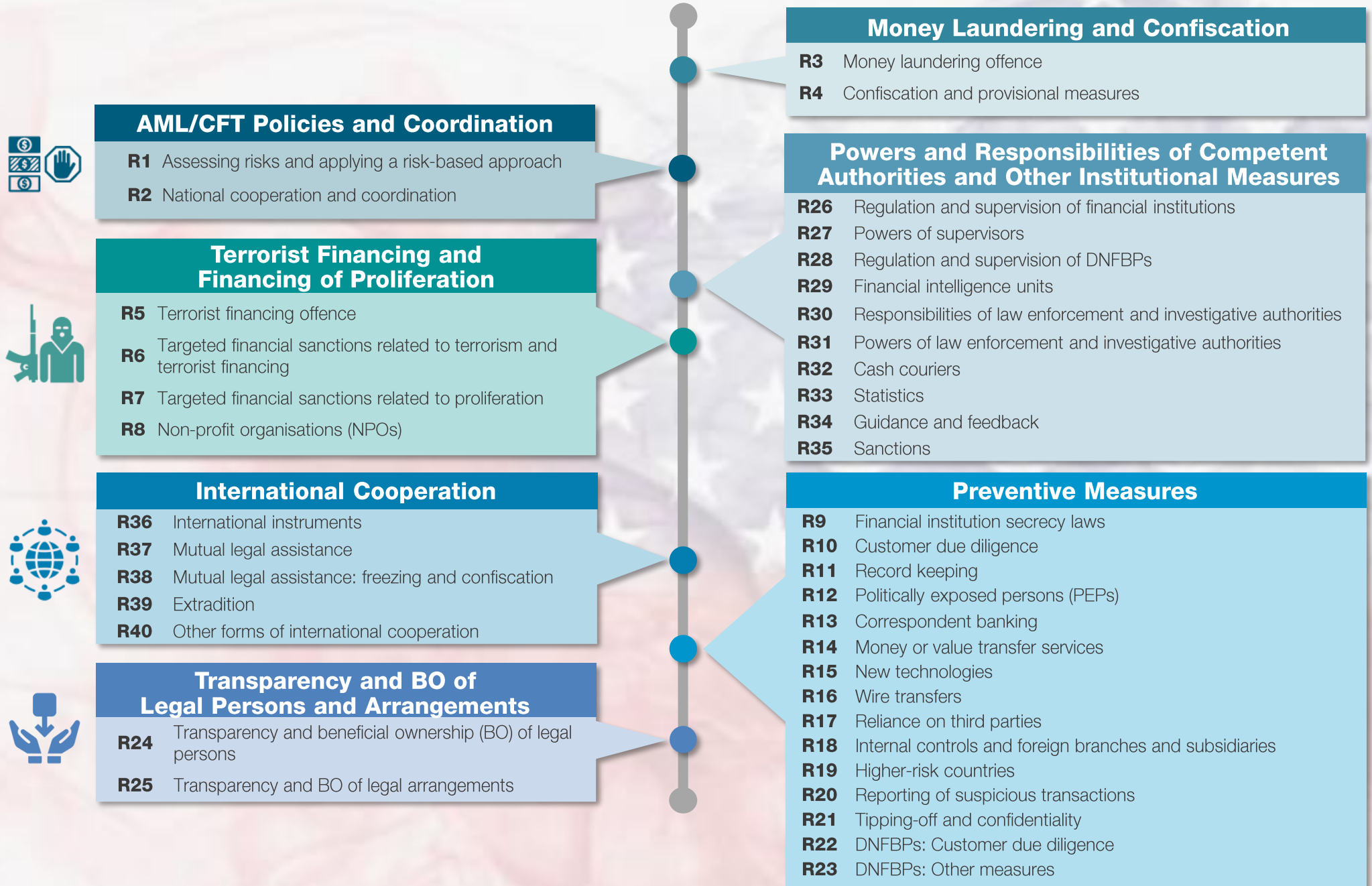
RISK | STRATEGY | CYBER COMPLIANCE MANAGEMENT



What are the FATF 40 Recommendations?

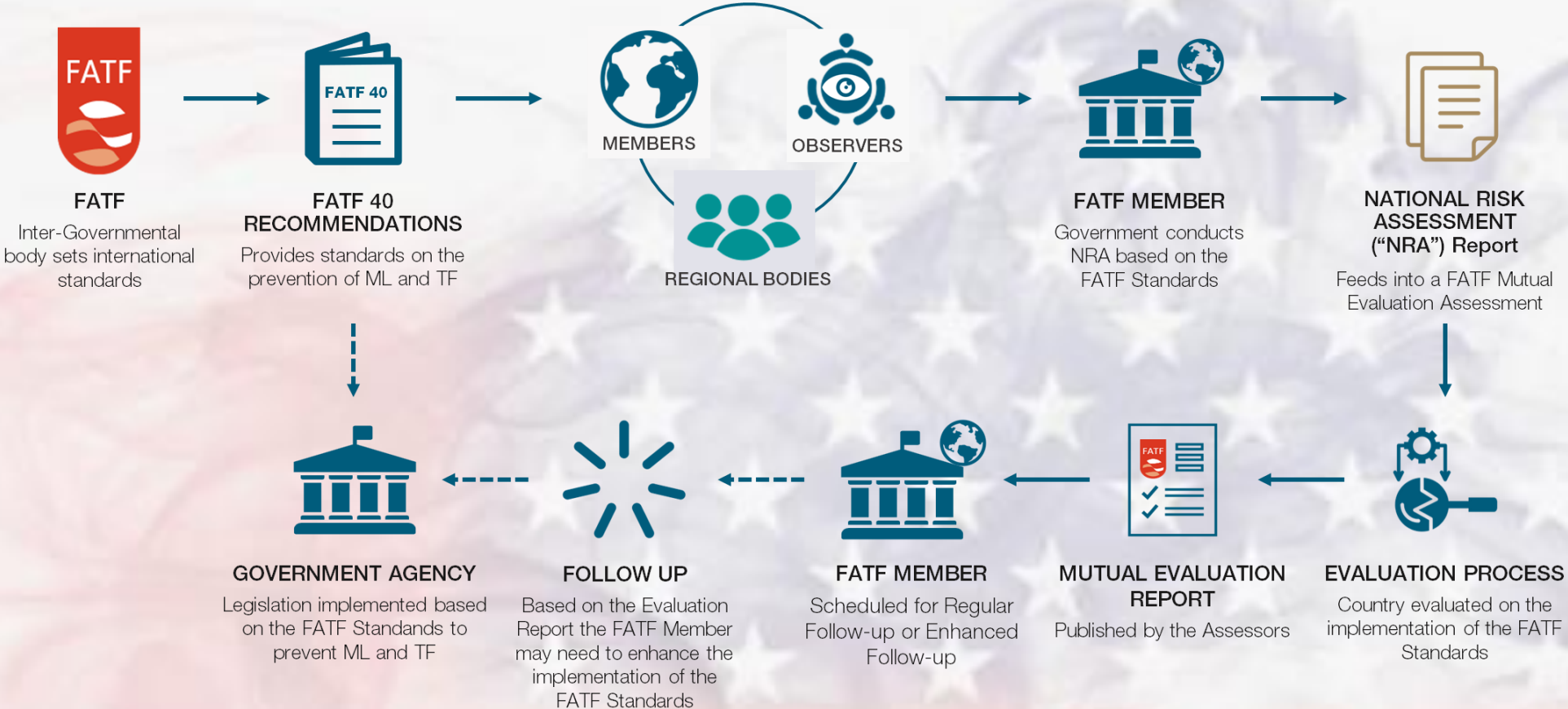
The FATF Recommendations

outline and elaborate on a comprehensive and consistent framework for countries to implement as a means to combat money laundering (ML), terrorist financing (TF), as well as the financing of weapons of mass destruction. Due to the diversity and differences in the administrative, financial, legal and operational systems and measures of different countries, the FATF Recommendations serve as the international standard, which countries may adapt to their state of priorities and affairs.




How FATF Sets International Standards

FATF set out the methodology to assess whether a country is compliant to FATF Recommendations or Standards, and if its AML/CFT system is working effectively, assessed through on-site visits, data analysis and the publication of **Mutual Evaluation Reports (MERs)**, or **Follow-Up Reports (FURs)**, where applicable. Done through peer reviews from members of other countries for objectivity, these evaluations are comprehensive country reports that present analysis, findings, as well as points for improvement, regarding a country’s ML/TF systems.



FATF publishes a **Global Assessment Calendar**, which provides a preview of planned assessments by the FATF, its FATF-Style Regional Bodies (FSRBs), the International Monetary Fund (IMF) or the World Bank. The 4th and the most recent round of MERs were measured against the 2013 Assessment Methodology. FATF commenced its 5th round of mutual evaluations in 2024, using revised the Assessment Methodology adopted in 2022. The **United States** is lined up for its 5th round of MER based on the schedule below:

	COUNTRY	ASSESSMENT BODY	ME ROUND	PLANNED ONSITE SCHEDULE	PLANNED PLENARY DISCUSSION SCHEDULE
	United States	FATF-APG-CFATF	5th	Apr 2026	Oct 2026



US 2016 FATF Mutual Evaluation Report



Key Findings

1. Despite the financial institutions having an evolved understanding of ML/TF risks and obligations, the financial sectors still bear most of the burden for required measures under the BSA.
2. The regulatory framework has significant gaps for certain institutions and businesses such as investment advisers, lawyers, real estate agents, trust and company service providers.
3. Lack of timely access to accurate, adequate and updated beneficial ownership (BO) information.
4. Aggressive pursuit to investigations and asset confiscation at a federal level, both domestically and abroad. However, there is no uniform approach to state-level AML efforts and forfeiture.

MUTUAL EVALUATION REPORT (MER) RATING

DATE: December 2016

Effectiveness

Immediate Outcomes	
Risk, Policy and Coordination	●
International Cooperation	●
Supervision	●
Preventive Measures	●
Legal Persons and Arrangements	●
Financial intelligence	●
ML Investigation and Prosecution	●
Confiscation	●
TF Investigation and Prosecution	●
TF Preventive Measures and Financial Sanctions	●
PF Financial Sanctions	●



Technical Compliance

FATF Recommendations									
R1	●	R11	●	R21	●	R31	●	R2	●
R3	●	R12	●	R22	●	R32	●	R4	●
R5	●	R13	●	R23	●	R33	●	R6	●
R7	●	R14	●	R24*	●	R34	●	R8	●
R9	●	R15	●	R25*	●	R35	●	R10	●
		R16	●	R26	●	R36	●		
		R17	●	R27	●	R37	●		
		R18	●	R28	●	R38	●		
		R19	●	R29	●	R39	●		
		R20	●	R30	●	R40	●		

* R24 and R25 – Transparency and Beneficial Ownership of Legal Persons and Arrangements



US 2024 FATF Follow-Up Report and Technical Compliance Updates



Progress Updates

1. With the US making progress to address technical compliance deficiencies in the 2016 MER related to Recommendation 24, the US was re-rated on this Recommendation.
2. Based on the 2016 MER and the 2022 National Risk Assessments on ML (NMLRA), a major ML method includes creating legal entities without the availability of accurate information about BOs. The US continued to face vulnerabilities and risks associated to the misuse of legal entities to hide and move funds.
3. Majority of the opportunities identified for Recommendation 24's rating criteria were addressed with the enactment of the Corporate Transparency Act (CTA) in January 2021, which mandated existing and newly established businesses to submit BO information (BOI) to FinCEN under the final BOI Reporting Rule effective January 2024. Some exemptions still apply (e.g. MSBs are exempt but are subject to strong licensing and regulatory oversight by FinCEN), but mainly due to very limited CTA circumstances and conditions.

FOLLOW-UP REPORT

DATE: March 2024

Technical Compliance Re-Rating

Rating Updates Based on Subsequent Reports:

- R24 Upgrade
- R10 Upgrade

FATF Recommendations	
R1	
R2	
R3	
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R40	





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Stratis Advisory | 1.415.352.1060 | www.stratisadvisory.com | info@stratisadvisory.com