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FATF's Progress Under President Elisa de Anda Madrazo:

The past two years (2024-2026) have marked an important transition for the Financial Action Task Force (FATF). Under the presidency of Elisa de Anda Madrazo, the FATF has sought to sharpen the global anti-money laundering, counter-terrorist financing and counter-proliferation financing framework around a clearer objective: not simply whether countries have rules on paper, but whether those rules are reducing harm, disrupting criminal networks and protecting the integrity of the financial system.

From the perspective of the Global Coalition to Fight Financial Crime (GCFFC), this is a welcome and necessary evolution. The Coalition has consistently called for a more effective, intelligence-led, outcomes-focused and collaborative response to financial crime. FATF's recent achievements—particularly its emphasis on effectiveness, proportionality, financial inclusion, beneficial ownership transparency, asset recovery, virtual assets and stronger global network cohesion—are closely aligned with those priorities.

What FATF Has Achieved Over the Past Two Years

FATF's most significant achievement has been to reinforce the principle that financial crime control must be measured by real-world outcomes. The launch of the fifth round of mutual evaluations has placed greater emphasis on national risk context, prioritised major vulnerabilities and focused more strongly on whether systems are producing tangible results. This matters because the global financial crime framework has too often rewarded the existence of laws, regulations and institutions without sufficient attention to whether they lead to better intelligence, more disruption of criminal activity, more confiscation of illicit assets and stronger protection for victims.

FATF has also advanced a more mature understanding of proportionality. The Mexican Presidency has prioritised risk-based implementation of the FATF Standards, particularly where this can support financial inclusion. This is an important reform agenda. Excessively defensive compliance can push legitimate customers, charities, remittance users and vulnerable communities out of the regulated financial system, increasing reliance on cash or informal channels and weakening financial integrity. A proportionate risk-based approach supports both inclusion and crime prevention.

Another important achievement has been the continued strengthening of standards and expectations around beneficial ownership, asset recovery and virtual assets. These are areas where criminals have exploited opacity, speed and jurisdictional fragmentation. FATF's focus on these issues reflects the reality that the fight against financial crime depends not only on detecting suspicious activity, but also on identifying who ultimately owns and controls assets, freezing and recovering proceeds of crime, and ensuring that new technologies do not become safe havens for illicit finance.

FATF has also strengthened the role of its Global Network. President Elisa, under her presidency, introduced the Guest Membership Initiative as a mechanism to broaden engagement beyond FATF full membership. The initiative enabled selected non-member jurisdictions to participate more directly in FATF activities, including Plenary discussions, working group meetings, and strategic policy dialogues, thereby enhancing inclusiveness, greater diversity of perspectives, strengthening the voice of the wider Global Network, and fostering greater collaboration in the development and implementation of international AML/CFT/CPF standards. With more than 200 jurisdictions connected through FATF and FATF-style regional bodies, the effectiveness of the system depends on consistency, transparency and inclusion. President de Anda Madrazo's emphasis on cohesion, diversity and stakeholder engagement is particularly important at a time when financial crime threats are increasingly transnational and when implementation capacity varies significantly across jurisdictions.

Views on Key Reforms During the Period

The GCFFC views the FATF reform agenda as directionally right and strategically important. The most significant reform is the rebalancing of mutual evaluations toward effectiveness. Countries should be assessed on whether their AML/CFT/CPF systems work in practice, not only on whether the formal architecture exists. This should encourage governments, supervisors, law enforcement agencies and the private sector to focus on outcomes such as better risk understanding, targeted supervision, high-quality financial intelligence, successful investigations, meaningful prosecutions and the recovery of criminal assets.

The reforms on financial inclusion are also highly significant. The Coalition supports FATF's recognition that inclusion and integrity are mutually reinforcing. A rigid or excessively cautious interpretation of AML/CFT requirements can lead to de-risking, exclusion and reduced visibility over financial flows. By promoting simplified due diligence in lower-risk scenarios and encouraging supervisors to support genuine risk-based decision-making, FATF can help ensure that compliance resources are focused where they will have the greatest impact.

Beneficial ownership reform remains a cornerstone of the global financial crime agenda. The Coalition welcomes FATF's continuing focus on adequate, accurate and up-to-date beneficial ownership information. Without reliable information on who ultimately owns or controls companies, trusts and other legal arrangements, criminals can hide behind complex structures, frustrate investigations and move illicit wealth across borders. The challenge now is implementation: registers must contain accurate and up-to-date information, accessible to competent authorities, verified where appropriate and supported by enforcement where false, misleading or incomplete information is submitted.

The renewed focus on asset recovery is equally important. Too often, financial crime is treated as a compliance failure rather than a business model for criminal actors. Success should be measured not only by reports filed or controls implemented, but by whether illicit proceeds are restrained, confiscated and returned where possible to victims and affected communities. FATF's stronger asset recovery standards support a more deterrent and victim-centred approach.

Finally, the reforms relating to virtual assets and emerging technologies are essential. Criminals continue to exploit gaps between innovation, regulation and enforcement. FATF's work in this area supports a more consistent global baseline, but the GCFFC believes this agenda must remain practical, technology-aware and collaborative, involving regulators, law enforcement, financial institutions, data providers and responsible technology firms. We must strengthen public private partnerships in this direction to foster greater information sharing, innovation and coordinated action across sectors to ensure that technological advancement serves as a force for security, transparency and economic growth rather than a vehicle for financial crime.

Does FATF Now Focus More on Effectiveness Than Technical Compliance?
Yes—but with an important qualification. Technical compliance remains necessary. Countries need laws, regulations, supervisory powers, reporting obligations, enforcement tools and institutional mandates. Without these foundations, effectiveness is unlikely to be sustainable. However, FATF's direction of travel is clearly toward a stronger assessment of whether those foundations deliver results.

The fifth round of mutual evaluations reflects this shift. Countries are expected to demonstrate that their frameworks are risk-based, context-specific and operationally effective. This means showing evidence that supervisors understand and prioritise the highest risks; that the private sector is applying controls intelligently; that financial intelligence is used by law enforcement; that investigations and prosecutions address serious threats; that beneficial ownership information is reliable; and that assets are recovered.

For the GCFFC, this shift is essential. A system that prioritises technical compliance alone can create a culture of box-ticking, defensive reporting and risk avoidance. An effectiveness-led system encourages better prioritisation, public-private partnership, intelligence sharing and measurable disruption of criminal activity. The key challenge will be ensuring that effectiveness is assessed consistently and fairly across jurisdictions, with sufficient account taken of capacity, risk profile and context.

Alignment with GCFFC's Crime Priorities

The achievements under President de Anda Madrazo are strongly consistent with the GCFFC's priorities. It has long advocated for a financial crime framework that is more effective, more collaborative and more focused on harms. FATF's current agenda supports this in several ways.

- **Effectiveness over formality:** FATF's new assessment approach reinforces the Coalition's view that success must be judged by outcomes, including disruption of criminal networks and recovery of illicit assets.
- **Risk-based and proportionate implementation:** The focus on proportionality aligns with the Coalition's support for smarter compliance that targets high-risk activity while avoiding unnecessary exclusion.
- **Financial inclusion:** FATF's recognition that inclusion supports integrity is consistent with the Coalition's belief that bringing more people and businesses into the regulated system improves transparency and resilience.
- **Transparency of ownership and control:** The continued emphasis on beneficial ownership supports the Coalition's priority of making it harder for criminals to hide behind opaque structures.
- **Asset recovery and victim impact:** Stronger asset recovery expectations align with the Coalition's view that financial crime policy must focus on harm reduction, deterrence and justice for victims.
- **Technology and virtual assets:** FATF's focus on virtual assets supports the Coalition's call for innovation that strengthens, rather than weakens the fight against financial crime.
- **Global network cohesion:** The emphasis on inclusion, transparency and coordination across the FATF Global Network reflects the Coalition's commitment to cross-border and cross-sector collaboration.

What More Is Needed

While the direction is positive, the next phase must focus on implementation. FATF should continue to encourage supervisors to move beyond rules-based examinations and support genuinely risk-based controls. Mutual evaluations should reward evidence of impact and not simply the production of policies, statistics or formal processes. Countries should also be encouraged to invest in data quality, information sharing, public-private collaboration, beneficial ownership transparency and operational asset recovery capabilities.

The Coalition also believes that effectiveness depends on partnership. Governments cannot combat financial crime alone, and neither can the private sector. The best results come when public authorities, financial institutions, technology providers, civil society and international bodies are able to share insight, align incentives and focus collectively on the highest-impact threats, including fraud, corruption, human trafficking, sanctions evasion, environmental crime and terrorist financing.

Conclusion

FATF's achievements over the past two years represent a significant step toward a more effective global financial crime framework. Under President Elisa de Anda Madrazo, FATF has placed renewed emphasis on proportionality, inclusion, global network cohesion and the practical effectiveness of AML/CFT/CPF systems. These priorities are closely aligned with the Global Coalition to Fight Financial Crime's mission to make the global response to financial crime more intelligence-led, collaborative and outcome-focused.

The task now is to translate this agenda into measurable change. If FATF, governments and the private sector can use the fifth round of mutual evaluations to drive genuine behavioural and operational improvement, the global system will be better placed to prevent abuse, protect victims, recover illicit assets and disrupt the criminal networks that profit from financial crime. Indeed, the ultimate aim remains taking profit out of crime.