

## FOREWORD

In recent years, the IMF has become actively involved in international cooperation efforts to prevent the abuse of national financial systems and to protect and enhance the integrity of the international financial system. Since 2001, the IMF's involvement in these issues has been expanded beyond anti-money laundering measures to include efforts aimed at the suppression of the financing of terrorism. Although primary responsibility for the development and enforcement of measures to combat money laundering and the financing of terrorism will continue to rest with national authorities, the IMF is prepared to assist them in assessing the implementation of international standards related to members' anti-money laundering and combating the financing of terrorism (AML/CFT) frameworks, as well as in providing technical assistance in the form of advice.

In early 2001, the IMF, in cooperation with other organizations, began developing what was to become the Methodology for Assessing Compliance with Anti-Money Laundering and Combating the Financing of Terrorism Standards. The Methodology is an assessment tool to be used to assess the implementation of the Financial Action Task Force (FATF) Forty Recommendations on Money Laundering, as well as its Eight Special Recommendations on Terrorism Financing. The IMF, through the Special Financial Supervisory Issues Division of its Monetary and Financial Systems Department (MFDSF) and the AML/CFT Unit of the Legal Department, conducts assessments of domestic frameworks as they relate to anti-money laundering and combating the financing of terrorism. The AML/CFT Unit also carries out technical assistance work in the form of legislative drafting and training in AML/CFT matters.

This handbook is intended to facilitate the delivery of legal technical assistance in the CFT area. It provides essential legal materials and extensive background information to officials who are responsible for drafting legislation designed to combat the financing of terrorism. The relevant international standards and obligations are presented, together with examples of legislation designed to serve as bases for drafting the laws needed to meet these standards and obligations. The issues discussed in the handbook are relevant to all countries, and the examples of legislation are provided in two separate versions, one mainly for civil law countries, the other one mainly for common law countries.

The handbook has benefited from inputs from both internal and external sources. Within the IMF's Legal Department, Louis Forget drafted the handbook under the direction of Jean-François Thony and with the

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The views expressed in this handbook are those of the IMF's Legal Department and should not be attributed to the Executive Directors or the Management of the IMF.

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