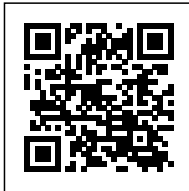


# MONGOLIA AND FATF'S GREY LIST

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At the recurrent meeting of the Asia/Pacific Group on Money Laundering of the Financial Action Task Force (FATF), the organization's Recommendation 15 assessed Mongolia in 2021 from 'partially compliant' to 'largely compliant'. Recommendation 15 requires that virtual asset service providers be regulated for anti-money laundering and countering the financing of terrorism (AML/CFT) purposes, that they are licensed or registered, and subject to effective systems for monitoring or supervision.

With the confirmation of the 'largely compliant' rating of this recommendation, 39 out of 40 FATF recommendations have been rated as 'compliant' and 'largely compliant'.

Mongolia became a member of FATF in 2004 but was first included in the "grey list" in 2013.

Mongolia's listing was due to its high-risk environment and insufficient legal framework. The country was removed from the list in 2014 after the Law on Combating Money Laundering and Terrorism Financing was enacted and certain efforts.

Thus, in 2017, according to the mutual evaluation of Mongolia's anti-money laundering and terrorism financing system conducted by FATF's Asia/Pacific Group on Money Laundering for the first time in Mongolia, 20 out of 40 recommendations issued by FATF were insufficient, 11 indicators of implementation were 'non-compliant'. Therefore, Mongolia was placed under the 'Intensive Control' category.

During the 15-month monitoring period, relevant government institutions such as the Bank of Mongolia, the Ministry of Finance, and the Financial Regulatory Commission implemented 20 recommendations, and the period was extended again in consideration of these efforts. However, in October 2019, Mongolia was included in FATF's grey list once again.

Mongolia was removed from the list in October 2020 by strengthening the effectiveness of its anti-money laundering and countering the financing of terrorism strategy and fulfilling its commitments in its action plan to address strategic deficiencies identified by the FATF.