**The FATF position on FinTech and RegTech**

*Buenos Aires, 3 November 2017* - The FATF met today to discuss how countries are approaching FinTech & RegTech innovations, such as digital ID and KYC utilities.

**The FATF strongly supports responsible financial innovation that is in line with the AML/CFT requirements found in the FATF Standards, and will continue to explore the opportunities that new financial and regulatory technologies may present for improving the effective implementation of AML/CFT measures.**

This statement builds on the San Jose Principles (below) that were discussed by the participants of the 1st FATF FinTech & RegTech Forum which was held in San Jose on 25 and 26 May 2017:

* **Fight terrorism financing and money laundering as a common goal.** Combatting ML deals a significant blow to the many profit-driven criminal activities, while countering terrorism financing limits the capabilities of terrorist groups to prepare or carry out attacks. As stakeholders, we have a shared interest to prevent the misuse of the financial system from the threats of ML and TF, thereby strengthening financial sector integrity and contributing to safety and security. Only by working together may governments and the private sector effectively achieve these goals.
* **Encourage public and private sector engagement.** Close engagement between governments, the private sector and academia on financial innovations helps to foster a shared understanding of these developments, identify pertinent issues, and facilitates collaboration to address any concerns as they arise.
* **Pursue positive and responsible innovation.** Be on the lookout for innovations that present opportunities to mitigate risks, increase the effectiveness of anti-money laundering and countering the financing of terrorism (AML/CFT) measures, and benefit society in general.
* **Set clear regulatory expectations and smart regulation which address risks as well as allow for innovation.** Better understanding of how existing AML/CFT obligations apply to new technologies, products, services, and new paradigms for the provision of financial services is best achieved by governments and the private sector working together to increase awareness and establish clear guidelines as needed.
* **Fair and consistent regulation.** Aim for a regulatory environment that is commercially neutral, respects the level playing-field and minimises regulatory inconsistency both domestically and internationally.