

RESEARCH & POLICY ANALYSIS

FATF OCTOBER 2026 PLENARY

Key Outcomes and Implications for Africa's Financial Integrity Framework

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NOVEMBER 2026

The Financial Action Task Force (FATF) October 2026 Plenary: Key Outcomes and Implications for Africa's Financial Integrity Framework

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The Financial Action Task Force (FATF) met in Paris from 28 to 30 October 2026 for its first Plenary under the United Kingdom Presidency of Giles Thomson. Delegates, including those invited through the guest initiative, namely Barbados, Namibia and Thailand, reviewed jurisdictional compliance, agreed to accelerate action on virtual assets, approved a report on the financial flows supporting organised scam compounds, and endorsed a more tailored approach for some lower-capacity jurisdictions. Mutual evaluations of the United States and Mexico were also adopted for publication following a quality review. These decisions are not merely administrative: they signal where global expectations for the prevention, detection and disruption of illicit finance are moving.

Two More African Countries Exit FATF Grey List or Increased Monitoring: Sustaining Regional Progress

The October 2026 FATF Plenary removed Côte d'Ivoire and the Democratic Republic of the Congo (DR Congo) from increased monitoring, alongside Bulgaria and Monaco, following successful on-site visits. Côte d'Ivoire's progress included stronger international cooperation, risk-based supervision, beneficial ownership verification, greater use of financial intelligence, and increased investigations and prosecutions of money laundering and terrorist financing. DR Congo strengthened its national risk assessment and AML/CFT strategy, supervision of designated non-financial businesses and professions (DNFBPs), financial intelligence capacity, investigative capabilities and implementation of targeted financial sanctions. These delistings build on a broader pattern of progress across Africa.

In October 2025, Burkina Faso, Mozambique, Nigeria and South Africa exited increased monitoring, followed by Algeria and Namibia in June 2026. Together with Côte d'Ivoire and DR Congo, eight African countries have exited FATF increased monitoring across three plenaries, reflecting progress in addressing country-specific AML/CFT deficiencies. Nevertheless, continued monitoring of other African jurisdictions, including Angola, Cameroon, Kenya and South Sudan, demonstrates that progress remains uneven and reinforces the importance of sustained regional cooperation and institutional support

However, removal from increased monitoring does not signal the end of financial crime risks. For these countries, the next challenge is to sustain reforms through effective

supervision, stronger financial intelligence, cross-border cooperation, and measurable results in investigations and asset recovery. Their experiences also offer valuable opportunities for regional peer learning and continued institutional strengthening, supported by FATF-style regional bodies such as GIABA, ESAAMLG and GABAC.

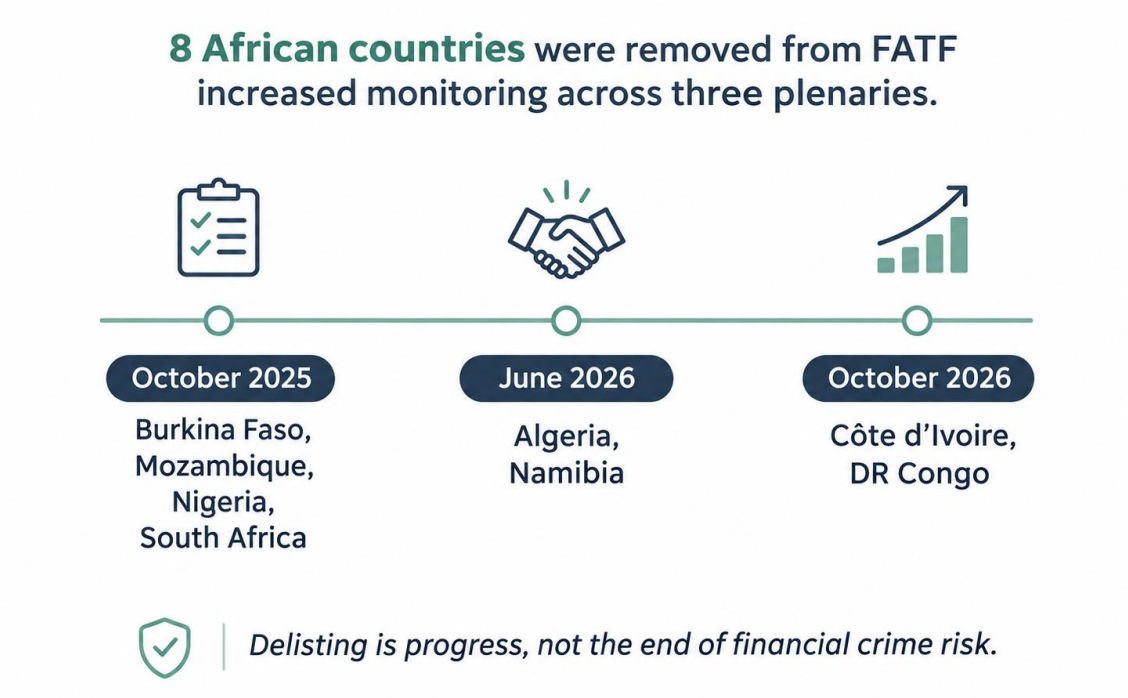


Figure 1. African Countries Removed from FATF Increased Monitoring, 2025–2026.

Fraud and scam compounds: follow the proceeds, not only the perpetrators

During the Plenary, FATF approved a new report on the end-to-end illicit financial flows linked to organised scam compounds. The policy implications are nonetheless clear. Fraud can move across jurisdictions faster than traditional investigative and recovery processes. Victim payments, intermediaries, nominee accounts, payment providers and virtual-asset channels may form different parts of a transaction chain. Tackling the underlying criminal enterprise requires coordinated financial analysis, timely preservation of records, rapid action against reachable assets and usable channels for international cooperation. The need is especially acute where the victim, operator, service provider and criminal proceeds are in different jurisdictions. FATF's February 2026 cyber-enabled fraud paper provides background for this work: it found that 156 assessed jurisdictions, about 90% of those covered, had identified fraud as a major money-laundering risk. African authorities and financial institutions should therefore examine fraud indicators through both cybercrime and proceeds-of-crime lenses, rather than allowing responsibility to fall between agencies.

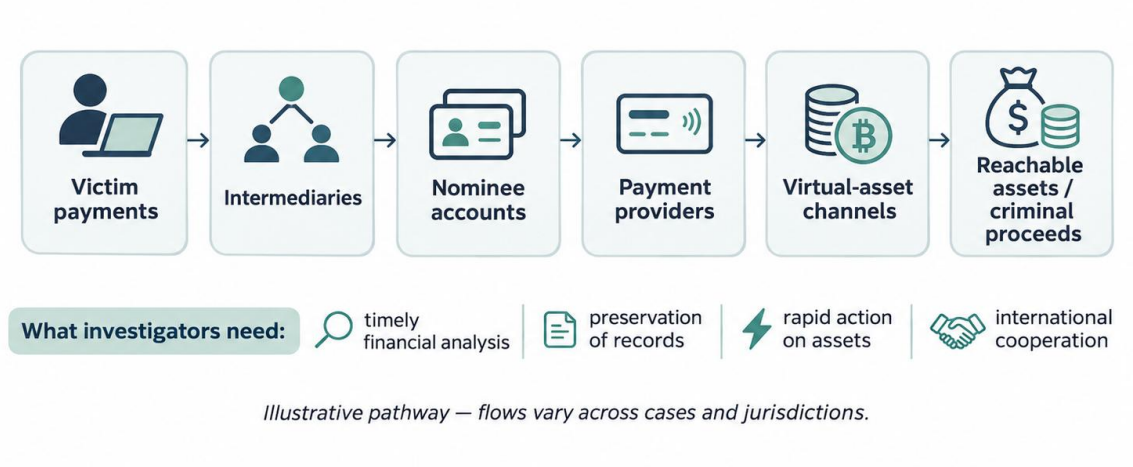


Figure 2. Illustrative Financial Flows Behind Organised Scam Compounds.

Virtual assets: implementation, not regulation on paper

The Plenary launched a targeted review and accelerated follow-up process to address uneven implementation of FATF standards for virtual assets and virtual asset service providers (VASPs). Selection will focus primarily on jurisdictions with materially important VASP activity, taking account of assessment status. FATF is scheduled to present initial findings from the assessment in June 2027, with further updates in October 2027. The announcement does not publicly identify the African jurisdictions that may be selected for review. This initiative builds on FATF's July 2026 update, which highlighted persistent weaknesses in licensing, supervision, VASP identification, Travel Rule implementation, and enforcement. FATF also identified risks associated with offshore providers, stablecoins, unhosted wallets and decentralised finance. It noted that a framework that exists in legislation but cannot identify operators, obtain necessary data or support investigations remains vulnerable to misuse.

African regulators face a dual challenge of addressing cross-border criminal exploitation while avoiding indiscriminate barriers to responsible innovation. Practical priorities include mapping market participants, testing supervisory capacity, enabling secure information exchange between competent authorities and developing specialist skills in tracing virtual-asset flows. The aim should be effective risk mitigation, not simply an expansion of reporting requirements.



Figure 3. Virtual Asset Supervision: From Regulation to Implementation.

Proportionality and the circumstances of African economies

FATF also agreed to pursue more tailored mutual evaluations for a subset of low-capacity developing countries, enhance assessor training, and strengthen dialogue on technical assistance. The details of eligibility and implementation are still to be elaborated. This should be read as a reform priority rather than a blanket exemption from FATF standards. Proportionality matters because blanket de-risking can produce unintended consequences. FATF's October increased-monitoring statement explicitly states that grey listing is not a call for enhanced due diligence on every customer and cautions against cutting off whole categories of clients. The FATF's focus on tailored assessment for low-capacity countries, proportionality, and technical assistance is a direct response to criticism from scholars and non-profit organisations.[i] Others argue that legitimate humanitarian flows, non-profit activity and legitimate remittances should not be unnecessarily disrupted.[ii]

***Recovering criminal assets is not an afterthought – it has a real impact on lives around the world and demonstrates that the justice system works.* (Elisa de Anda Madrazo, immediate past president of the FATF)**

Although the October outcomes did not announce a new asset-recovery standard, their emphasis on fraud proceeds, virtual assets and international cooperation is directly relevant to tracing and confiscation. FATF's November 2025 asset recovery guidance

reported that more than 80% of assessed jurisdictions had low or moderate effectiveness in asset recovery.

This provides an important benchmark: stronger laws and more reports do not automatically produce recovered funds. Financial intelligence units, investigators, prosecutors, supervisors, courts and asset management authorities need functional interfaces from the initial suspicious-transaction signal through preservation, freezing, confiscation and, where appropriate, return or victim compensation. Secure, lawful cross-border information exchange should be matched with the capacity to convert intelligence into admissible evidence. Reform strategies should also address ownership transparency, due process and accountable management of recovered property.

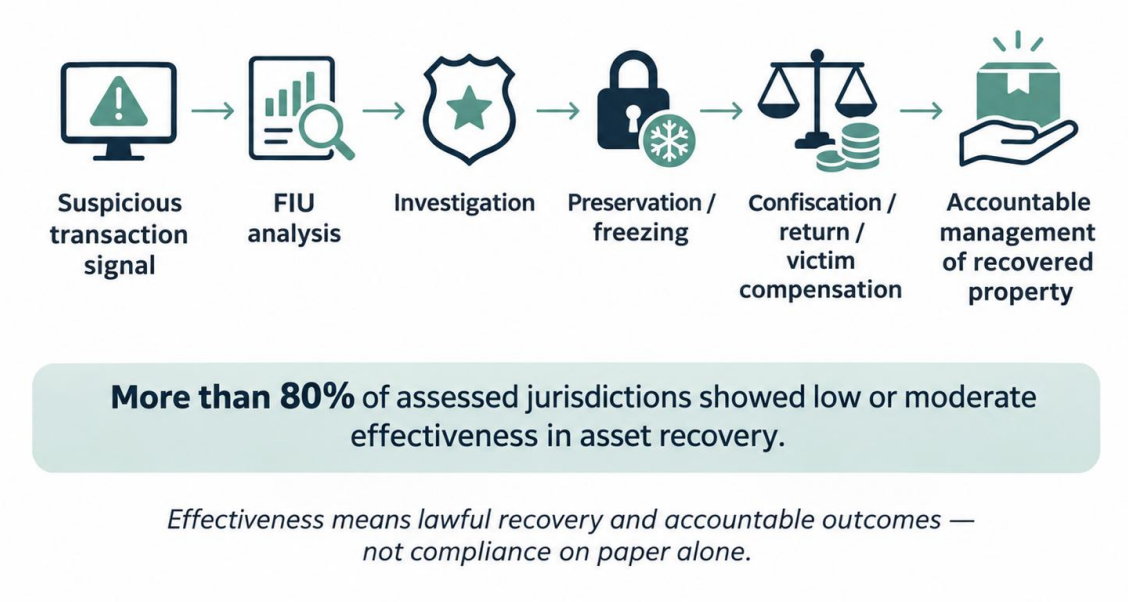


Figure 4. From Financial Intelligence to Asset Recovery Results.

Strengthening Regional Cooperation Beyond Grey-List Removal

The experiences of the eight African countries recently removed from the FATF monitoring list provide valuable opportunities for regional learning and institutional strengthening. While these countries have made progress in addressing identified AML/CFT deficiencies, their differing financial crime risks, regulatory frameworks and institutional capacities underscore the need for approaches tailored to national circumstances rather than uniform reform measures. Regional bodies, including GIABA, ESAAMLG, GABAC and MENAFATF, can facilitate greater cooperation and knowledge-sharing among financial intelligence units, regulators, law enforcement agencies and asset recovery practitioners. Such collaboration could strengthen risk-based supervision, beneficial ownership transparency, financial investigations and cross-border asset

recovery. The FATF–African Development Bank dialogue on sustainable compliance provides a useful foundation for advancing these efforts.

Ultimately, the challenge extends beyond exiting increased monitoring to ensuring reforms deliver lasting results. Sustained progress should be measured through effective financial intelligence, stronger enforcement, improved international cooperation and tangible asset recovery outcomes, supported by transparent reporting and appropriate safeguards. This would help translate individual countries' compliance achievements into broader improvements in Africa's financial integrity framework.

A practical agenda for African institutions

Six priorities deserve attention from policymakers, regulators, FIUs, justice institutions and regional partners:

1. **Build a regional post-delisting learning agenda.** Use the experiences of the eight recently delisted African countries to compare sustainable reform practices, using indicators for intelligence use, supervision, investigation and confiscation rather than focusing solely on legislative milestones.
2. **Strengthen cooperation across African subregions.** Improve workflows for requests, intelligence sharing, asset tracing and preservation of financial evidence, including coordination across GIABA, ESAAMLG, GABAC and MENAFATF jurisdictions, with appropriate safeguards.
3. **Supervise virtual assets on a risk basis.** Connect licensing or registration, market intelligence, Travel Rule obligations where applicable, supervisory enforcement and practical investigative capability.
4. **Make asset recovery central to fraud response.** Integrate financial investigation early, speed up freezing procedures, protect victims' interests, and document actual confiscation and return outcomes.
5. **Invest in compliance quality.** Support banks, lawyers, accountants and other reporting entities with sector-specific red flags, beneficial ownership checks and more useful suspicious transaction reporting.
6. **Preserve inclusion and rights.** Ensure de-risking and restrictive controls remain proportionate, evidence-based and subject to appropriate review; legitimate remittances and civic activity should not become collateral damage.
7. **Sustaining Africa's Financial Integrity Reforms**

For African countries, the relevant question is how to translate these expectations into systems that function in practice. A strong legal framework matters, but durable financial integrity also depends on reliable beneficial ownership information, targeted supervision, usable intelligence, investigative capacity, judicial effectiveness and the ability to trace and recover criminal proceeds. A proportionate response must protect legitimate remittances,

financial inclusion and civic activity rather than treating risk management as blanket exclusion.

8. Conclusion

The October 2026 FATF Plenary highlights both the progress made and the challenges ahead in strengthening Africa's financial integrity frameworks. The removal of Côte d'Ivoire and DR Congo, alongside six other African countries delisted across the preceding plenaries, reflects important advances in addressing AML/CFT deficiencies. However, these achievements must be sustained beyond completing FATF action plans. As financial crime continues to evolve through virtual assets, organised fraud and increasingly complex cross-border transactions, African countries must strengthen their regulatory institutions, financial intelligence capabilities, enforcement mechanisms and international cooperation. Equally important is ensuring that AML/CFT measures remain proportionate, effective and responsive to regional realities. Ultimately, Africa's progress should be measured not merely by the number of countries removed from increased monitoring, but by its institutions' ability to prevent illicit financial flows, investigate financial crimes, recover stolen assets, and safeguard the integrity of their financial systems.

About the African Center

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[i] Juliet Ibekaku-Nwagwu, 'Is the Financial Action Task Force Fit for the Future?' (11 September 2026) https://www.rusi.org >https://www.rusi.org Accessed 16 September 2026; *See also* Juliet Ibekaku-Nwagwu, 'FATF February 2026 Plenary: Compliance Expectations, Grey-Listing Pressures, and What Africa Must Do Next' (*LaPSe of Reason*, 1 May 2026) https://lawpoliticsandsociology.wordpress.com/2026/05/01/fatf-february-2026-Plenary-compliance-expectations-grey-listing-pressures-and-what-africa-must-do-next/ accessed 30 June 2026.

[ii] Ben Hayes, '"Counter-Terrorism, Policy-Laundering and the FATF: "Legalising Surveillance, Regulating Civil Society"' (2012) <https://www.statewatch.org/media/documents/analyses/no-171-fafp-report.pdf accessed 2 December 2024; Georgios Pavlidis, 'The Dark Side of Anti-Money Laundering: Mitigating the Unintended Consequences of FATF Standards' (2023) 2 Journal of Economic Criminology 100040 https://doi.org/10.1016/j.jeconc.2023.100040 accessed 25 February 2026.