

Jordan's removal from the FATF grey list

A Basel AML Index briefing following the decision of the Financial Action Task Force (FATF) to delist Jordan from its list of jurisdictions under increased monitoring ("grey list") in October 2023.

In a nutshell

Jurisdiction: Jordan

On FATF grey list: October 2021 to October 2023

Principal reasons: Low performance in effectiveness

Latest FATF reports: November 2019 (mutual evaluation report) and May 2022 (follow-up report), by MENAFATF (FATF's regional body for the Middle East)

Significance: Being delisted is essential for Jordan to improve its image and regain access to investments.

1 Background information

Jordan's 2019 [mutual evaluation report](#) identified severe deficiencies in its AML/CFT regime, including a low level of effectiveness in the following areas:

- Transparency of beneficial ownership information (Immediate Outcome 5)
- Investigation and prosecution of money laundering offences (Immediate Outcome 7)
- Risks of abuse of non-profit organisations for terrorist financing (Immediate Outcome 10)
- Proliferation of weapons of mass destruction (Immediate Outcome 11)

Jordan was added to the grey list in October 2021 and committed to implementing its action plan by October 2023.

2 Actions taken and progress made

Jordan displayed high-level political will to exit the grey list as soon as possible. It fulfilled all the requirements of the action plan in less than two years, ahead of the deadline.

The action plan included eight items:

1. Completing and disseminating money laundering/terrorist financing risk assessments of non-profit organisations, legal persons and virtual assets.
2. Improving risk-based supervision and applying effective, proportionate and dissuasive sanctions for non-compliance.
3. Conducting training and awareness-raising programmes for designated non-financial businesses and professions (DNFBPs) on their AML/CFT obligations.
4. Maintaining comprehensive and updated basic and beneficial ownership information on legal persons and legal arrangements.
5. Pursuing money laundering investigations and prosecutions.
6. Creating a legal obligation for confiscating instrumentalities used or intended to be used in money laundering crimes.
7. Developing and implementing a legal and institutional framework for targeted financial sanctions.
8. Developing and implementing a risk-based approach for supervision of the non-profit sector to prevent abuse for terrorist financing purposes.

Jordan made rapid progress in completing the action plan. Already in June 2023, the FATF made the initial determination that Jordan has “substantially completed its action plan ahead of the agreed timeline” and planned an on-site assessment which subsequently verified the results.

3 Expected results

Jordan’s graduation from the FATF grey list coincides with the Government’s success in completing the seventh review of its economic reform programme with the International Monetary Fund and reaching a new agreement for financial and monetary reform for the next four years.

Graduation from the FATF grey list is expected to attract more investment, driving much-needed economic growth and job creation.

4 Jordan in the Basel AML Index

Jordan's overall money laundering and terrorist financing risk score in the Basel AML Index Public Edition is 4.90. Its current score in the Expert Edition, which is updated quarterly, is 4.59.¹ This places it in the medium-risk category compared to other global jurisdictions.

Jordan achieved the following scores in the latest FATF assessments:

- 27% for effectiveness
- 63% for technical compliance

Based on the Basel AML Index methodology and calculations, Jordan's score on the FATF indicator alone was 6.07 before graduation from the grey list and 5.26 afterwards.²

A note for Basel AML Index users

The Basel AML Index uses FATF data from both mutual evaluation reports and follow-up reports to score a jurisdiction's money laundering and terrorist financing risks. Information on a jurisdiction's categorisation as being "under increased monitoring" ("grey list") or a "high-risk jurisdiction" ("black list") is included in the Basel AML Index Expert Edition for information or decision-making purposes. This information is included in a separate column to the jurisdiction's risk scores. Being on these lists does impact the overall score of the jurisdiction in the Basel AML Index. This is because the jurisdiction's performance is already taken into account based on the latest mutual evaluation report and follow-up report data.

However, in October 2023, the Basel AML Index methodology was amended to better reflect the progress in effectiveness of jurisdictions that graduate from the grey list. The methodology now assumes that jurisdictions that have graduated from the grey list have improved the effectiveness of their AML/CFT systems to at least a moderate level. This contributes to larger improvements in the scores and rankings of some delisted jurisdictions. See the [website](#) for more information.

¹ Designed for busy professionals, the Basel AML Index Expert and Expert Plus editions offer deep, detailed and up-to-date insights into a jurisdiction's ML/TF risk score and the reasons behind it. Both editions are free for public-sector, international, non-profit and academic organisations. See: <https://index.baselgovernance.org/expert-edition>

² The Basel AML Index uses a double weight for effectiveness criteria in its methodology. See: <https://index.baselgovernance.org/methodology>.