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OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

CIRCULAR LETTER NO. CL-2024-010

To : **All BSP-Supervised Financial Institutions (BSFIs)**

Subject : **Financial Action Task Force (FATF) Publications – 23 February 2024**

This is to inform all BSFIs of the Financial Action Task Force (FATF) publications issued last 23 February 2024 on: (i) high-risk jurisdictions subject to a call for action¹, (ii) jurisdictions under increased monitoring², and (iii) statement on the Russian Federation³.

1. **High Risk Jurisdictions subject to a Call for Action**

The FATF identifies countries with significant strategic deficiencies in their regimes to counter money laundering (ML), terrorist financing (TF), and proliferation financing (PF). For all countries identified as high risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and in the most serious cases, apply countermeasures to protect the international financial system from the ML/TF/PF risks emanating from the country. Given the heightened PF risks, the FATF reiterates its call to apply countermeasures on these high-risk jurisdictions. No new jurisdictions were added to this list.

• **Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures**

- a. **Democratic People's Republic of Korea (DPRK)** – The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions (FIs) to give special attention to business relationships and transactions with the DPRK, including DPRK companies, FIs, and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective countermeasures, and targeted financial sanctions (TFS) in accordance with applicable United Nations Security Council (UNSC) Resolutions. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC Resolutions.
- b. **Iran** – The FATF fully lifts the suspension of countermeasures and calls on its members and urges all jurisdictions to apply effective countermeasures against Iran, in line with Recommendation 19⁴. Until Iran implements the measures required to address the deficiencies identified with respect to countering terrorism-financing in the Action Plan, the FATF will remain concerned with the TF risk emanating from Iran and the threat this poses to the international financial system.

BSFIs should take necessary actions (such as immediate freezing and filing of returns) required under relevant issuances on TFS in case of funds or property, including related accounts, of the designated persons and entities referred to in all applicable UNSC and Anti-Money Laundering Council (AMLC) Resolutions.

¹ previously called "Public Statement"; often externally referred to as the "blacklist"; <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-february-2024.html>

² previously called "Improving Global AML/CFT Compliance: On-going process"; often externally referred as the "grey list"; <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-february-2024.html>

³ <https://www.fatf-gafi.org/en/publications/Fatfgeneral/fatf-statement-russian-federation-feb-2024.html>

⁴ The Interpretative Note to Recommendation 19 specifies examples of the countermeasures that could be undertaken by countries.

- **Jurisdiction subject to a FATF call on its members and other jurisdictions to apply enhanced due diligence (EDD) measures proportionate to the risks arising from the jurisdiction**

Myanmar

Since October 2023, Myanmar took steps to prioritise inspection of certain Designated Non-Financial Businesses and Professions (DNFBP) sectors on a risk basis, however overall progress continues to be slow. The FATF urges Myanmar to work to fully address its anti-money laundering and combating the financing of terrorism (AML/CFT) deficiencies, including to demonstrate that its monitoring and supervision of money or value transfer services (MVTs) is based on documented and sound understanding of ML/TF risks to mitigate undue scrutiny of legitimate financial flows. Myanmar will remain on the list of countries subject to a call for action until its full action plan is completed.

2. Jurisdictions under Increased Monitoring

These countries are actively working with the FATF and have committed to resolve swiftly the identified strategic deficiencies in their regimes to counter ML/TF/PF within agreed timeframes. The FATF has issued an updated list of jurisdictions under increased monitoring. Barbados, Gibraltar, Uganda, and the United Arab Emirates are no longer subject to increased monitoring. New jurisdictions added to the list are Kenya and Namibia.

The FATF does not call for the application of EDD measures on these jurisdictions but encourages its members and all jurisdictions to take into account the information presented in their risk analysis.

3. Statement on the Russian Federation

FATF members note with concern the potential risks to the international financial system, including growing financial connectivity of Russia with countries subject to FATF countermeasures, risks of PF, and malicious cyber activities and ransomware attacks. Accordingly, the FATF calls upon all jurisdictions to continue to remain vigilant due to the abovementioned risks. FATF members will continue to monitor the situation and the risks posed to the global financial system. As a suspended member of the FATF, the Russian Federation still remains accountable for its obligation to implement the FATF Standards.

Copies of the aforementioned FATF publications may be viewed and downloaded from the FATF website (www.fatf-gafi.org). BSFIs are likewise directed to regularly refer to the FATF's website for the latest statements on high risk and other monitored jurisdictions and consider the same in their risk analysis and mitigation strategies.

For guidance and strict compliance.

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