



BANGKO SENTRAL NG PILIPINAS

CIRCULAR LETTER NO. CL-2022-026

OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

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

Subject : **Financial Action Task Force (FATF) Publications on High-Risk and Other Monitored Jurisdictions – March 2022**

This is to inform all BSFIs of the updated statements of the FATF issued on 04 March 2022¹ on high-risk jurisdictions subject to a call for action² and jurisdictions under increased monitoring³:

1. **High-Risk Jurisdictions subject to a Call for Action** – BSFIs should refer to the FATF statement on these jurisdictions adopted on 21 February 2020⁴ which was previously disseminated by the BSP thru Circular Letter Nos. CL-2020-026, CL-2021-021, and CL-2021-058. While the statement may not necessarily reflect the most recent status of Iran and the Democratic People's Republic of Korea's AML/CFT regimes, the FATF's call for action on these high-risk jurisdictions remains in effect.
 - a. On 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) in their respective jurisdictions to give special attention to business relationships and transactions, directly or indirectly, with the DPRK, including DPRK companies, FIs, and those acting on their behalf. In addition to enhanced scrutiny of these business relationships and transactions, the FATF urges all jurisdictions to apply effective countermeasures and targeted financial sanctions (TFS) in accordance with applicable United Nations Security Council (UNSC) Resolutions. BSFIs are likewise directed to terminate correspondent relationships with DPRK banks, where required by relevant UNSC Resolutions.
 - b. On Iran – The FATF fully lifts the suspension of counter-measures and calls on its members and urges all jurisdictions to apply effective countermeasures against Iran. In determining the range of countermeasures that could be undertaken, BSFIs shall consider Iran as a high-risk jurisdiction and apply enhanced due diligence (EDD) procedures as well as appropriate countermeasures that are effective and proportionate to the risk. BSFIs are likewise directed to, among others,

¹ <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-march-2022.html> and <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-march-2022.html>

² Previously called "Public Statement"; often externally referred to as the "black list"

³ Previously called "*Improving Global AML/CFT Compliance: On-going process*"; often externally referred to as the "grey list"

⁴ <http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-february-2020.html>

effectively implement TFS in accordance with applicable UNSC Resolutions and take necessary risk mitigation strategies, considering relevant laws and BSP rules and regulations.

In addition, BSFIs should take necessary actions (such as immediate freezing and filing of returns) required under relevant issuances⁵ on TFS in case of funds or property, including related accounts, of the designated individuals and entities referred to in all applicable UNSC and AMLC Resolutions.

- 2. Jurisdictions under Increased Monitoring** – The FATF has issued an updated list of jurisdictions under increased monitoring or with strategic deficiencies⁶. These countries are actively working with the FATF and have committed to resolve swiftly the identified strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing within agreed timelines and are subject to increased monitoring.

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

Copies of the aforementioned FATF statements may be viewed and downloaded from the FATF website. 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.

 Digitally signed by
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Deputy Governor

15 March 2022

⁵ Such as AMLC 2021 Sanctions Guidelines issued on 03 March 2021 and other issuances to implement the TFS against individuals and entities listed in the UNSC Consolidated List and those designated by the ATC.

⁶ Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Haiti, Jamaica, Jordan, Mali, Malta, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, South Sudan, Syria, Turkey, Uganda, United Arab Emirates, and Yemen; Zimbabwe is no longer subject to the FATF's increased monitoring process.