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Deputy Governor

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To:

All reporting institutions under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLATFA)

Tuan/Puan,

Recent Statements by the Financial Action Task Force on Money Laundering (FATF)

This circular is issued to inform the reporting institutions (RIs) of the statement by the FATF on 18 February 2010 on jurisdictions having strategic deficiencies in their AML/CFT regimes as well as jurisdictions that are subject to on-going review process with the FATF (please see attachments).

2. The FATF's International Cooperation Review Group (ICRG) has conducted process to identify and examine uncooperative jurisdictions and jurisdictions that are failing to implement effective AML/CFT measures. In February 2010, the FATF adopted the recommendations of the ICRG and identified jurisdictions with strategic AML/CFT deficiencies. RIs are advised to give due consideration to the FATF statement and undertake appropriate actions as recommended by the FATF with respect to the individual jurisdictions. The jurisdictions are divided into three categories:

| No. | Deficiencies | Jurisdictions |
|-----|---|--|
| 1. | Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures to protect the international financial system from the ongoing and substantial money laundering and terrorist financing (ML/TF) risks emanating from the jurisdiction. | <ul style="list-style-type: none">• Iran |
| 2. | Jurisdictions with strategic AML/CFT deficiencies that have not committed to an action plan developed with the FATF to address key deficiencies as of February 2010. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction. | <ul style="list-style-type: none">• Angola• Democratic People's Republic of Korea (DPRK)• Ecuador• Ethiopia |
| 3. | Jurisdictions previously publicly identified by the FATF as having strategic AML/CFT deficiencies, which remain to be addressed as of February 2010 | <ul style="list-style-type: none">• Pakistan• Turkmenistan• São Tomé and Príncipe |

4. In a separate statement, *Improving Global AML/CFT Compliance: On-going Process*, the FATF provides information on 20 jurisdictions that have committed to action plans to address deficiencies in order to strengthen their AML/CFT regimes. In this regard, RIs have to take into consideration the information provided by FATF in relation to RI's obligation in implementing AML/CFT programmes and customer due diligence requirements under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLATFA).

Please be guided accordingly.

Yang benar,



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Timbalan Gabenor