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Dato' Zamani Abdul Ghani
Deputy Governor

6 November 2008

To:

All Reporting Institutions under the Anti-Money Laundering
and Anti-Terrorism Financing Act 2001

Tuan/Puan,

**Countries with Deficiencies in the Anti-Money Laundering/Combating
the Financing of Terrorism (AML/CFT) Regime**

We refer to the above and attach herewith a copy of the public statement issued by the Financial Action Task Force on Money Laundering (FATF) on 16 October 2008. This public statement is issued in furtherance of the FATF statement issued in February 2008 on countries which has been highlighted as having deficiencies in their AML/CFT regime. In this regard, reporting institutions are required to take into consideration the risk of money laundering and terrorism financing and to conduct appropriate enhanced due diligence, including ongoing monitoring of transactions when dealing with the countries that have been identified by the FATF.

Please be guided accordingly.

Yang benar,



Financial Action Task Force ♦ Groupe d'action financière

FATF Statement

16 October 2008

IRAN

The FATF welcomes Iran's recent engagement with the international community on anti-money laundering, notes the initial steps taken towards remedying the deficiencies in this area, and urges Iran to address the remaining weaknesses.

The FATF is particularly concerned that the lack of corresponding effort by Iran to address the risk of terrorist financing continues to pose a serious threat to the integrity of the international financial system. Urgent action to address this vulnerability is necessary.

The FATF calls on its members, and urges all jurisdictions, to strengthen preventive measures to protect their financial sectors from this risk.

The FATF is prepared to engage directly in assisting Iran in decisively addressing the weaknesses in its AML/CFT regime.

UZBEKISTAN

The FATF takes note of the action plan prepared by Uzbekistan to address deficiencies in its AML/CFT regime.

The FATF is increasingly concerned that the continuing failure by Uzbekistan to restore its AML/CFT regime poses a serious threat to the integrity of the international financial system. Urgent action to address this vulnerability and to meet international standards is necessary.

The FATF calls on its members, and urges all jurisdictions, to strengthen preventive measures to protect their financial sectors from this risk.

The FATF, along with the Eurasian Group, is prepared to engage directly in assisting Uzbekistan in developing a robust AML/CFT regime.

TURKMENISTAN

The FATF notes Turkmenistan's efforts towards adopting AML legislation. However, financial institutions should be aware that the lack of an AML/CFT regime in Turkmenistan constitutes a money laundering/terrorist financing vulnerability in the international financial system. Turkmenistan is urged to continue its efforts to establish a

comprehensive AML/CFT regime that meets international AML/CFT standards and to work closely with the Eurasian Group and the International Monetary Fund to achieve this.

PAKISTAN AND SÃO TOMÉ AND PRÍNCIPE

The FATF reaffirms its public statement of 28 February 2008 regarding the money laundering and financing of terrorism risks posed by Pakistan and São Tome and Principe.

AML/CFT IMPROVEMENTS IN THE NORTHERN PART OF CYPRUS

The FATF welcomes the significant progress made in the northern part of Cyprus and notes that the northern part of Cyprus has substantially addressed the AML/CFT deficiencies that the FATF had identified. FATF encourages the northern part of Cyprus to continue to improve its AML/CFT system. Implementation will be monitored through appropriate mechanisms.

Notes:

1. For further information, journalists are invited to contact Helen Fisher, OECD Media Relations, (Tel: +33 1 45 24 80 97 or helen.fisher@oecd.org) or the FATF Secretariat, 2, rue André-Pascal, 75775 Paris Cedex 16 (tel: +33 1 45 24 79 45, fax: +33 1 44 30 61 37, email: contact@fatf-gafi.org).
2. The FATF¹ is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. The FATF Secretariat is housed at the OECD.
3. The thirty-four members of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; Denmark; the European Commission; Finland; France; Germany; Greece; the Gulf Co-operation Council; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States.
4. India and the Republic of Korea are observer countries. The Asia Pacific Group on Money Laundering (APG)², the Caribbean Financial Action Task Force (CFATF)³, the Grupo de Acción Financiera de Sudamérica (GAFISUD)⁴, the Middle East and North Africa Financial Action Task Force (MENAFATF)⁵ and the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)⁶ are Associate Members.
5. The global network that is committed to combating money laundering and terrorist financing also includes three other regional bodies: the Eastern and South African Anti Money Laundering Group (ESAAMLG)⁷, the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG)⁸ and the Groupe Inter-gouvernemental d'Action Contre le Blanchiment en Afrique (GIABA)⁹. The Offshore Group of Banking Supervisors (OGBS)¹⁰ is a part of this network as well.

¹ www.fatf-gafi.org

² www.apgml.org

³ www.cfatf.org

⁴ www.gafisud.org

⁵ www.menafatf.org

⁶ www.coe.int/moneyval

⁷ www.esaamlg.org

⁸ www.eurasiangroup.org

⁹ www.giaba-westafrica.org

¹⁰ www.ogbs.net