



Our Reference :

27 June 2016

To:  
All reporting institutions under the  
Anti-Money Laundering, Anti-Terrorism Financing  
and Proceeds of Unlawful Activities Act 2001 (AMLA)

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

The purpose of this notice, issued pursuant to section 83 of the AMLA, is to inform the reporting institutions (RIs) of the recent Public Statement issued by the FATF on 24 June 2016 on jurisdictions having strategic deficiencies in their anti-money laundering and counter financing of terrorism (AML/CFT) regime (please see Appendix).

2. In the statement, FATF has called upon its members and other jurisdictions to apply countermeasures against **the Democratic People's Republic of Korea (DPRK)** arising from the on-going and substantial money laundering and terrorist financing risks emanating from the jurisdictions, and threats posed by DPRK's illicit activities in relation to proliferation of weapons of mass destruction and its financing.
3. In accordance with the AML/CFT Policy issued to your sector, please be advised that RIs are required to conduct enhanced customer due diligence for business relationships and transactions with any person from countries identified by the FATF as having on-going or substantial ML/TF risks, and apply countermeasures proportionate to the risk.
4. Please note that **Iran** has been moved to the category of country which having strategic AML/CFT deficiency which enhanced due diligence applies proportionate to the risks arising from the jurisdiction. The **FATF has now suspended the call for countermeasures on Iran for 12 months** due to Iran's adoption of high-level political commitment to address its strategic deficiency, its decision to seek technical assistance, and commitment to an action plan.
5. In addition, FATF has also removed **Myanmar and Papua New Guinea** from FATF monitoring due to significant progress in addressing the strategic AML/CFT deficiencies and implementation of the agreed action plans.
6. Further information on the abovementioned statements and other monitored jurisdictions is available at FATF's website at <http://www.fatf-gafi.org>.

Please be guided accordingly.

Yang benar,

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Pengarah

## Public Statement - June 2016

*Busan, Korea, 24 June 2016* - The Financial Action Task Force (FATF) is the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). In order to protect the international financial system from money laundering and financing of terrorism (ML/FT) risks and to encourage greater compliance with the AML/CFT standards, the FATF identified jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.

***Jurisdiction subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing (ML/FT) risks emanating from the jurisdictions.***

### **Democratic People's Republic of Korea (DPRK)**

The FATF remains concerned by the DPRK's failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threat this poses to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, FATF is concerned about the threat posed by the DPRK's illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the DPRK, including DPRK companies, financial institutions, 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 counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/FT/PF) risks emanating from the DPRK. Jurisdictions should also protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and review the existence of subsidiaries and branches of, and relationships with, DPRK financial institutions in their jurisdiction.

***Jurisdictions subject to a FATF call on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risks arising from the jurisdiction***

### **Iran**

The FATF welcomes Iran's adoption of, and high-level political commitment to, an Action Plan to address its strategic AML/CFT deficiencies, and its decision to seek technical assistance in the implementation of the Action Plan. The FATF therefore has suspended counter-measures for twelve months in order to monitor Iran's progress in implementing the Action Plan. If the FATF determines that Iran has not demonstrated sufficient progress in implementing the Action Plan at the end of that period,

FATF's call for counter-measures will be reimposed. If Iran meets its commitments under the Action Plan in that time period, the FATF will consider next steps in this regard.

Iran will remain on the FATF Public Statement until the full Action Plan has been completed. Until Iran implements the measures required to address the deficiencies identified in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system. The FATF, therefore, calls on its members and urges all jurisdictions to continue to advise their financial institutions to apply enhanced due diligence to business relationships and transactions with natural and legal persons from Iran, consistent with FATF Recommendation 19. The FATF urges Iran to fully address its AML/CFT deficiencies, in particular those related to terrorist financing.

The FATF will continue to engage with Iran and closely monitor its progress.

More on:

[Improving Global AML/CFT Compliance: on-going process - 24 June 2016](#) - other monitored jurisdictions