



Our Reference :

1 July 2015

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 circular is to inform the reporting institutions (RIs) of the recent Public Statement issued by the FATF on 26 June 2015 on jurisdictions having strategic deficiencies in their anti-money laundering and counter financing of terrorism (AML/CFT) regime. These jurisdictions are either subject to the FATF's call for countermeasures; or have not made sufficient progress and not committed to an action plan to address those AML/CFT deficiencies.

2. In the statement, FATF has called upon its members and other jurisdictions to apply countermeasures against **Iran** and **the Democratic People's Republic of Korea** arising from the on-going and substantial money laundering and terrorist financing risks emanating from the jurisdictions. Other jurisdictions which have strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies include **Algeria** and **Myanmar**, and are subject to FATF's call to consider the risks arising from the deficiencies associated with each jurisdiction. (The detail of this statement is attached in **Appendix I**).

3. On a related note, Indonesia and Cambodia will no longer be subject to the FATF's monitoring process under its on-going global AML/CFT compliance process due to the significant progress made in implementing the action plan to address the strategic AML/CFT deficiencies identified by the FATF.

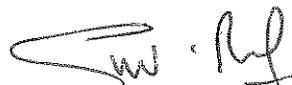
4. In accordance with the AML/CFT Policy issued to your sector, please be advised that RIs are required to conduct enhanced customer due diligence for business relationships and transactions with any person from countries identified by the FATF as having on-going or substantial ML/TF risks, and apply countermeasures proportionate to the risk. In addition, RIs are required to conduct enhanced customer due diligence, when ML/TF risks are assessed as higher risk, for business relationships and transactions with any person from countries identified by the FATF as having strategic AML/CFT deficiencies and have not made sufficient progress in addressing those deficiencies.

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5. In addition, arising from the June Plenary, FATF has adopted and published Guidance for a risk-based approach to virtual currencies and Typologies report on the ML/TF risks and vulnerabilities associated with gold. Further information on the abovementioned statements and documents is available at FATF's website at <http://www.fatf-gafi.org>.

Please be guided accordingly.

Yang benar,



(Abd. Rahman Abu Bakar)  
Pengarah  
Jabatan Perisikan Kewangan dan  
Penguatkuasaan



## High-risk and non-cooperative jurisdictions

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## FATF Public Statement - 26 June 2015

*Brisbane, 26 June 2015* - 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.

***Jurisdictions 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.***

Iran  
Democratic People's Republic of Korea (DPRK)

***Jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction, as described below.***

Algeria  
Myanmar

## Iran

The FATF remains particularly and exceptionally concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system, despite Iran's recent engagement with the FATF.

The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF reaffirms its 25 February 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. The FATF continues to urge jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices and to take into account ML/FT risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdiction. Due to the continuing terrorist financing threat emanating from Iran, jurisdictions should consider the steps already taken and possible additional safeguards or strengthen existing ones.

The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalising terrorist financing and effectively implementing suspicious transaction reporting requirements. If Iran fails to take concrete steps to continue to improve its CFT regime, the FATF will consider calling on its members and urging all jurisdictions to strengthen counter-

measures in October 2015.

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

Since February 2015, the DPRK engaged with the FATF regarding the deficiencies identified in its action plan developed with the FATF.

However, 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.

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 and financial institutions. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) 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 take into account ML/FT risks when considering requests by DPRK financial institutions to open branches and subsidiaries in their jurisdiction.

## Algeria

Algeria has taken steps towards improving its AML/CFT regime, including by issuing terrorist asset freezing regulations. The FATF has not assessed Algeria's new measures on terrorist assets freezing due to their recent nature, and therefore the FATF has not yet determined the extent to which they address the earlier deficiency identified regarding the establishment and implementation of an adequate legal framework for identifying, tracing and freezing terrorist assets. The FATF welcomes Algeria's progress and encourages Algeria to continue the process of implementing its action plan.

## Myanmar

Myanmar has taken steps towards improving its AML/CFT regime. However, despite Myanmar's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Myanmar has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) ensuring an operationally independent and effectively functioning financial intelligence unit; and (4) strengthening customer due diligence measures. The FATF encourages Myanmar to address the remaining deficiencies and continue the process of implementing its action plan.

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Jurisdictions - June 2015

Public Statement

**Iran**  
**Democratic Peoples's**  
**Republic of Korea (DPRK)**

Algeria  
Myanmar  
> full statement

Improving Global AML/CFT  
Compliance: on-going  
processs

Afghanistan  
Angola  
Bosnia and Herzegovina  
Ecuador  
Guyana  
Lao PDR  
Panama  
Papua New Guinea  
Sudan  
Syria  
Uganda  
Yemen

**Jurisdictions not making**  
**sufficient progress**

Iraq

**Jurisdictions no longer**  
**subject to monitoring**

Indonesia

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