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

Recent Statements by the Financial Action Task Force (FATF)

The purpose of this notice, issued pursuant to section 83 of the AMLA, is to inform the RIs on the recent Public Statement issued by the FATF on 21 June 2019 on jurisdictions having strategic deficiencies in their anti-money laundering and counter financing of terrorism (AML/CFT) regime (please refer to **Appendix I**).

2. In the statement, FATF has called upon its members and other jurisdictions to apply effective countermeasures and targeted financial sanctions in accordance with the applicable United Nations Security Council Resolutions against the **Democratic People's Republic of Korea (DPRK)** arising from significant deficiencies in its AML/CFT regime and threats posed by the DPRK's illicit activities in relation to proliferation of weapons of mass destruction and its financing.

3. In accordance with the AML/CFT Policy Documents issued to the respective sectors, please be advised that RIs are required to conduct enhanced customer due diligence for business relationships and transactions with any person from the DPRK including those acting on their behalf. In addition to enhanced CDD requirement, the RIs are also required to apply any relevant countermeasures proportionate to the risk, including limiting business relationship and financial transactions with DPRK or its person and terminating correspondent relationships with DPRK banks, where necessary.

4. In relation to **Iran**, the FATF has called upon its members and other jurisdictions to apply enhanced due diligence which are proportionate to the risks to all business relationships and transactions with any person from Iran. As required by the FATF Public Statement, the enhanced due diligence measures shall include:

a) Obtaining information on the reasons for intended transactions; and
b) Conducting enhanced monitoring of business relationships, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

5. The FATF continues the suspension on the call for countermeasures on Iran and as such, countermeasures as stipulated under respective AML/CFT Policy Documents will not be applicable.

6. RIs should also consider other jurisdictions being monitored by FATF as having inadequate AML/CFT system for which they have developed an action plan

with FATF for the purposes of the RIs' risk assessment process (please refer to **Appendix II**). In this connection, **Panama** has been included to FATF's monitoring process due to its strategic AML/CFT deficiencies. Meanwhile, **Serbia** has been removed from the FATF's monitoring process due to its significant progress in improving its AML/CFT regime.

7. 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,

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

Appendix I

Public Statement - June 2019

Orlando, FL, United States, 21 June 2019 - 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 identifies 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 ongoing and substantial money laundering and financing of terrorism (ML/FT) risks.

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 threats they pose to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, the FATF has serious concerns with 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 take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC resolutions.

Jurisdiction 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

In June 2016, the FATF welcomed Iran's high-level political commitment to address its strategic AML/CFT deficiencies, and its decision to seek technical assistance in the implementation of the Action Plan. Given that Iran provided that political commitment and the relevant steps it has taken, the FATF decided in February 2019 to continue the suspension of counter-measures.

In November 2017, Iran established a cash declaration regime. In August 2018, Iran has enacted amendments to its Counter-Terrorist Financing Act and in January 2019, Iran has also enacted amendments to its Anti-Money Laundering Act. The FATF recognises the progress of these legislative efforts. The bills to ratify the Palermo and Terrorist Financing Conventions have passed Parliament, but are not yet in force. As with any country, the FATF can only consider fully enacted legislation. Once the remaining legislation comes fully into force, the FATF will review this alongside the enacted legislation to determine whether the measures contained therein address Iran's Action Plan, in line with the FATF standards.

Iran's action plan expired in January 2018. In June 2019, the FATF noted that there are still items not completed and Iran should fully address: (1) adequately criminalizing terrorist financing, including by removing the exemption for designated groups "attempting to end foreign occupation, colonialism and racism"; (2) identifying and freezing terrorist assets in line with the relevant United Nations Security Council resolutions; (3) ensuring an adequate and enforceable customer due diligence regime; (4) clarifying that the submission of STRs for attempted TF-related transactions are covered under Iran's legal framework; (5) demonstrating how authorities are identifying and sanctioning unlicensed money/value transfer service providers; (6) ratifying and implementing the Palermo and TF Conventions and clarifying the capability to provide mutual legal assistance; and (7) ensuring that financial institutions verify that wire transfers contain complete originator and beneficiary information.

The FATF decided at its meeting this week to continue the suspension of counter-measures, with the exception of the FATF calling upon members and urging all jurisdictions to require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran, in line with the February 2019 Public Statement.

While acknowledging the progress that Iran made including with the passage of the Anti-Money Laundering Act, the FATF expresses its disappointment that the Action Plan remains outstanding. The FATF expects Iran to proceed swiftly in the reform path to ensure that it addresses all of the remaining items by completing and implementing the necessary AML/CFT reforms.

If by October 2019, Iran does not enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, then the FATF will require introducing enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran. The FATF also expects Iran to continue to progress with enabling regulations and other amendments.

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 with respect to countering terrorism-financing 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 with respect to business relationships and transactions with natural and legal persons from Iran, consistent with FATF Recommendation 19, including: (1) obtaining information on the reasons for intended transactions; and (2) conducting enhanced monitoring of business relationships, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

More on:

Appendix II

Improving Global AML/CFT Compliance: On-going Process - 21 June 2019

Orlando, USA, 21 June 2019 - As part of its ongoing review of compliance with the AML/CFT standards, the FATF identifies the following jurisdictions that have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF. While the situations differ among each jurisdiction, each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. The FATF welcomes these commitments.

A number of jurisdictions have not yet been reviewed by the FATF. The FATF continues to identify additional jurisdictions, on an ongoing basis, that pose a risk to the international financial system.

The FATF and the FATF-style regional bodies (FSRBs) will continue to work with the jurisdictions noted below and to report on the progress made in addressing the identified deficiencies. The FATF calls on these jurisdictions to complete the implementation of action plans expeditiously and within the proposed timeframes. The FATF will closely monitor the implementation of these action plans and encourages its members to consider the information presented below.

Jurisdictions with strategic deficiencies	Jurisdictions no longer subject to monitoring
The Bahamas	Serbia
Botswana	
Cambodia	
Ethiopia	
Ghana	
Pakistan	
Panama	
Sri Lanka	
Syria	
Trinidad and Tobago	
Tunisia	
Yemen	

The Bahamas

Since October 2018, when The Bahamas made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, The Bahamas has taken steps towards improving its AML/CFT regime, including by beginning its initial implementation of the recent Beneficial Ownership Law, and bringing the Anti-Terrorism Regulations into force. The Bahamas should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) completing the comprehensive electronic case management system for international cooperation; (2) demonstrating risk-based supervision of non-bank financial institutions; (3) completing the process to ensure the timely access to adequate, accurate and current basic and beneficial ownership information; (4) increasing the quality of the FIU's products to assist LEAs in the pursuance of ML/TF investigations, specifically complex ML/TF and stand-alone ML investigations; (5) demonstrating that authorities are investigating and prosecuting all types of money laundering, including complex ML cases, stand-alone money laundering, and cases involving proceeds of foreign offences; (6) increasing the identification, tracing and freezing or restraining of assets and to present cases linked with foreign offences and standalone ML cases; and (7) addressing remaining gaps in the TF and PF TFS frameworks and demonstrating implementation.

Botswana

Since October 2018, when Botswana made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Botswana has taken steps towards improving its AML/CFT regime, including by amending its legal framework to criminalise ML and TF and amending record keeping and STR filing obligations. Botswana should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) assessing the risks associated with legal persons, legal arrangements, and NPOs, and developing and implementing a risk-based comprehensive national AML/CFT strategy; (2) developing and implementing risk-based AML/CFT supervisory manuals; (3) improving its analysis and dissemination of financial intelligence by the FIU, and enhancing the use of financial intelligence among the relevant law enforcement agencies; (4) developing and implementing CFT strategy, and ensuring the TF investigation capacity of the law enforcement agencies; (5) ensuring the implementation without delay of targeted financial sanctions measures related to terrorist financing and proliferation financing, and (6) applying a risk-based approach to monitoring non-profit organisations.

Cambodia

Since February 2019, when Cambodia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Cambodia has taken steps towards improving its AML/CFT regime, including by increasing the analytical resources of its FIU Cambodia should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) providing a broad legal basis for MLA and conducting relevant training to LEAs; (2) implementing risk-based supervision for real estate and casinos; (3) implementing the risk-based supervision to banks, including through prompt, proportionate and dissuasive enforcement actions, as appropriate; (4) amending the AML/CFT Law to address the remaining technical compliance deficiencies; (5) conducting sector-specific outreach to casinos, real-estate and MVTS providers; (6) increasing its FIU resources; enhancing its analysis of STRs; and increasing disseminations to LEAs; (7) increasing domestic coordination and cooperation to enhance ML investigations; (8) demonstrating an increase in ML investigations and prosecutions; and providing targeted proceeds of crime

confiscation training to all LEAs; (9) demonstrating an increase in the freezing and confiscation of criminal proceeds, instrumentalities, and property of equivalent value; (10) establishing the legal framework to implement UN sanctions related to PF TFS, demonstrating that implementation is occurring and enhancing the understanding of sanctions evasion.

Ethiopia

In February 2017, Ethiopia made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. The FATF has made the initial determination that Ethiopia has substantially completed its action plan and warrants an on-site visit to verify that the implementation of Ethiopia's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. Specifically, Ethiopia has made the following key reforms: (1) implementing the results of its national risk assessment; (2) integrating designated non-financial businesses and professions into its AML/CFT regime; (3) confiscating the proceeds and instrumentalities of crime; (4) implementing terrorism-related targeted financial sanctions and proportionately regulating non-profit organizations in line with a risk-based approach; and (5) establishing and implementing WMD-related targeted financial sanctions.

Ghana

Since October 2018, when Ghana made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Ghana has taken steps towards improving its AML/CFT regime, including by developing its national AML/CFT Policy and Action Plan based on the risks identified in the NRA, and conducting a risk assessment on its NPO sector. Ghana should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) developing and implementing a comprehensive national AML/CFT Policy based on the risks identified in the NRA, including measures to mitigate ML/TF risks associated with the legal persons; (2) improving risk-based supervision, by enhancing the capacity of the regulators and the awareness of the private sector; (3) ensuring the timely access to adequate, accurate and current basic and beneficial ownership information; (4) ensuring the focused actions of the FIU in accordance with the risks identified by the NRA, and adequate resource allocation to the FIU; (5) ensuring adequate and effective investigation and prosecution of TF; and (6) applying a risk-based approach for monitoring non-profit organisations.

Pakistan

Since June 2018, when Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter-terrorist financing-related deficiencies, Pakistan has taken steps towards improving its AML/CFT regime, including the recent development of its TF risk assessment addendum; however, it does not demonstrate a proper understanding of Pakistan's transnational TF risk.. Pakistan should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) adequately demonstrating its proper understanding of the TF risks posed by the terrorist groups , and conducting supervision on a risk-sensitive basis; (2) demonstrating that remedial actions and sanctions are applied in cases of AML/CFT violations, and that these actions have an effect on AML/CFT compliance by financial institutions; (3) demonstrating that competent authorities are cooperating and taking action to identify and take enforcement action against illegal money or value transfer services (MVTS); (4) demonstrating that authorities are identifying cash couriers and enforcing controls on illicit movement of currency and understanding the risk of cash couriers being used for TF; (5) improving inter-agency coordination including between provincial and federal authorities on combating TF risks; (6) demonstrating that law enforcement agencies (LEAs) are identifying and investigating the widest range of TF activity and that TF investigations and prosecutions target designated persons and entities, and persons and entities acting on behalf or at the direction of the designated persons or entities; (7) demonstrating that TF prosecutions result in effective, proportionate and dissuasive sanctions and enhancing the capacity and support for prosecutors and the judiciary; and (8) demonstrating effective implementation of targeted financial sanctions (supported by a comprehensive legal obligation) against all 1267 and 1373 designated terrorists and those acting for or on their behalf, including preventing the raising and moving of funds, identifying and freezing assets (movable and immovable), and prohibiting access to funds and financial services; (9) demonstrating enforcement against TFS violations including administrative and criminal penalties and provincial and federal authorities cooperating on enforcement cases; (10) demonstrating that facilities and services owned or controlled by designated person are deprived of their resources and the usage of the resources. The FATF expresses concern that not only did Pakistan fail to complete its action plan items with January deadlines, it also failed to complete its action plan items due May 2019. The FATF strongly urges Pakistan to swiftly complete its action plan by October 2019 when the last set of action plan items are set to expire. Otherwise, the FATF will decide the next step at that time for insufficient progress.

Panama

In June 2019, Panama made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2017, Panama has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including enacting Law No. 70 introducing tax offenses and making them predicate offences for money laundering, increasing obligations for resident agents, and addressing the shortcomings in the timeframe to submit suspicious transaction reports. Panama will work to implement its action plan, including by: (1) strengthening its understanding of the national and sectoral ML/TF risk and informing findings to its national policies to mitigated the identified risks; (2) proactively taking action to identify unlicensed money remitters, applying a risk-based approach to supervision of the DNFBP sector and ensuring effective, proportionate, and dissuasive sanctions again AML/CFT violations; (3); ensuring adequate verification and update of beneficial ownership information by obliged entities, establishing an effective mechanisms to monitor the activities of offshore entities, assessing the existing risks of misuse of legal persons and arrangements to define and implement specific measures to prevent the misuse of nominee shareholders and directors, and ensuring timely access to adequate and accurate beneficial ownership information; and (4) ensuring effective use of FIU products for ML investigations, demonstrating its ability to investigate and prosecute ML involving foreign tax crimes and to provide constructive and timely international cooperation with such offence, and continuing to focus on ML investigations in relation to high-risk areas identified in the NRA and MER.

Sri Lanka

In November 2017, Sri Lanka made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. In February 2019, the FATF made the initial determination that Sri Lanka has completed its action plan and warrants an on-site assessment. Specifically, Sri Lanka has made the following key reforms: (1) enacting amendments to the MACMA to ensure that mutual legal assistance may be provided on the basis of reciprocity; (2) issuing the CDD Rule for DNFBPs, issuing any necessary guidance, and ensuring implementation of this Rule has begun, by way of supervisory actions; (3) enhancing risk-based supervision and outreach to FIs, and high risk DNFBPs, including through prompt and dissuasive enforcement actions and sanctions, as appropriate; (4) providing case studies and statistics to demonstrate that competent authorities can obtain beneficial ownership information in relation to legal persons in a timely manner; (5) issuing a revised Trust Ordinance and demonstrating that implementation has begun; and (6) establishing a TFS regime to implement the relevant UNSCRs related to Iran, demonstrating that implementation has begun, and demonstrating that implementation has begun on the UN Regulation related to the DPRK. However, due to the terrorist attack that occurred on 21 April 2019, the FATF was unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will conduct an on-site visit prior to its October 2019 Plenary.

Syria

Since February 2010, when Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Syria had substantially addressed its action plan at a technical level, including by criminalising terrorist financing and establishing procedures for freezing terrorist assets. While the FATF determined that Syria has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and will conduct an on-site visit at the earliest possible date.

Trinidad and Tobago

Since November 2017, when Trinidad and Tobago made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Trinidad and Tobago has taken steps towards improving its AML/CFT regime, including by proclaiming laws on NPO supervision and civil asset recovery. Trinidad and Tobago should continue to work on implementing its action plan to address its strategic deficiencies, including by implementing: (1) the remaining measures to further enhance international cooperation; (2) the issues related to transparency and beneficial ownership; and (3) the measures to monitor NPOs on the basis of risk.

Tunisia

In November 2017, Tunisia made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. The FATF has made the initial determination that Tunisia has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of Tunisia's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. Specifically, Tunisia has made the following key reforms: (1) implementing risk-based AML/CFT supervision of the financial sector and fully integrating designated non-financial businesses and professions into its AML/CFT regime; (2) maintaining comprehensive and updated commercial registries and strengthening the system of sanctions for violations of transparency obligations; (3) increasing the efficiency of suspicious transaction report processing by allocating the necessary resources to the financial intelligence unit; (4) establishing a terrorism-related targeted financial sanctions regime and appropriately monitoring the association sector; and (5) establishing WMD-related targeted financial sanctions.

Yemen

Since February 2010, when Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Yemen had substantially addressed its action plan at a technical level, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing procedures to identify and freeze terrorist assets; (3) improving its customer due diligence and suspicious transaction reporting requirements; (4) issuing guidance; (5) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the financial intelligence unit; and (6) establishing a fully operational and effectively functioning financial intelligence unit. While the FATF determined that Yemen has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and conduct an on-site visit at the earliest possible date.

Jurisdictions No Longer Subject to the FATF's On-Going Global AML/CFT Compliance Process

Serbia

The FATF welcomes Serbia's significant progress in improving its AML/CFT regime and notes that Serbia has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in February 2018. Serbia is therefore no longer subject to the FATF's monitoring process under its ongoing global AML/CFT compliance process. Serbia will continue to work with MONEYVAL to improve further its AML/CFT regime.