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Our Reference :

29 October 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 reporting institutions (RIs) of the recent Public Statement issued by the FATF on 23 October 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 jurisdiction which has strategic deficiencies that have not made sufficient progress in addressing the deficiencies is **Myanmar**, and is subject to FATF's call to consider the risks arising from the deficiencies associated with the jurisdiction.

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. For countries identified by the FATF as having strategic AML/CFT deficiencies and have not made sufficient progress in addressing those deficiencies, RIs are required to conduct enhanced customer due diligence for business relationships and transactions with any person from the country if ML/TF risks are assessed as higher risk.

5. Further information on the abovementioned statements 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

FATF Public Statement - 23 October 2015

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Paris, 23 October 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.
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.

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 implement ng 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 February 2016.

Democratic People's Republic of Korea (DPRK)

The FATF remains concerned by the DPRK's failure to address the significant deficiencies in its an -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 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) risk 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.

Myanmar

Myanmar has taken important steps towards improving its AML/CFT regime, including by issuing AML and CFT Rules and strengthening customer due diligence requirements for the financial sector. 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 deficiencies remain. Myanmar should continue to implement its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) implementing the procedures to identify and freeze terrorist assets; and (3) ensuring an operationally independent and effectively functioning financial intelligence unit. The FATF encourages Myanmar to address the remaining deficiencies and continue the process of implementing its action plan.