



## CENTRALE BANK VAN ARUBA

April 16, 2015

To the Managements of all supervised financial institutions and trust service providers.

CMB/gcr/1.13/INT/3963

**Subject: FATF statements dated February 27, 2015/ FATEF/2015-1**

Dear Management,

With due regard to the requirements set out in the State Ordinance for the Prevention and Combating of Money Laundering and Terrorist Financing (*Landsverordening voorkoming en bestrijding witwassen en terrorismefinanciering*, AB 2011, no. 28) (AML/CFT State Ordinance) and the regulatory requirements set out in the Handbook for the prevention and detection of money laundering and combating the financing of terrorism for financial and trust service providers regulated by the CBA (AML/CFT Handbook), the Centrale Bank van Aruba (CBA) urges all supervised financial and trust service providers to take duly notice of the information contained in this letter and the required follow-up actions that need to be taken.

Pursuant to Article 11 of the AML/CFT State Ordinance, financial and trust service providers must perform enhanced customer due diligence, if and when a business relationship or a transaction by its nature entails a higher risk of money laundering or terrorist financing. The enhanced customer due diligence shall be carried out both prior to the business relation or the transaction, as during the business relationship in any case with natural persons, legal persons, trusts, and comparable entities that originate from countries or jurisdictions which do not or insufficiently apply the internationally accepted standards for the prevention and combating of money laundering and terrorist financing.

Pursuant to Article 13, paragraph 1, subsection a, of the AML/CFT State Ordinance, financial and trust service providers must pay special attention to business relationships and transactions with natural persons, legal persons, trusts, and comparable entities originating from countries or jurisdictions that do not or insufficiently comply with the internationally accepted AML/CFT standards.

According to Article 13, paragraph 2, of the AML/CFT State Ordinance if a financial or trust service provider can reasonably suspect that, amongst others, a transaction with a natural person, legal person, trust or a comparable entity originating from a country or jurisdiction as meant in the first paragraph, does not have an apparent economic or legal purpose, it must investigate the background and the purpose of this transaction and record its findings in writing. These findings must be kept for at least ten years pursuant to Article 13, paragraph 3, of the AML/CFT State Ordinance.

Article 13 of the AML/CFT State Ordinance is related to Recommendation 21 of the Financial Action Task Force on Money Laundering (FATF)<sup>1</sup> which states:

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<sup>1</sup> On February 16, 2012 the FATF published the revised FATF Recommendations which can be found on the website of FATF: [www.fatf-gafi.org](http://www.fatf-gafi.org). However, the jurisdictions mentioned in the FATF Public Document and Compliance Document of February 16, 2012 have been reviewed based on the prior FATF Recommendations. Therefore, specific references made to the FATF Recommendations refer to the prior recommendations.

*“Financial institutions should give special attention to business relationships and transactions with persons, including companies and financial institutions, from countries which do not or insufficiently apply the FATF Recommendations. Whenever these transactions have no apparent economic or visible lawful purpose, their background and purpose should, as far as possible, be examined, the findings established in writing, and be available to help competent authorities. Where such a country continues not to apply or insufficiently applies the FATF Recommendations, countries should be able to apply appropriate countermeasures”.*

Furthermore, pursuant to section 3.12.2, subsection 148, of the AML/CFT Handbook, it is a regulatory requirement that service providers must treat countries and jurisdictions listed in the FATF statements (circulated by the CBA), which highlight jurisdictions which do not or insufficiently, apply the FATF Recommendations or which are the subject of international countermeasures, as countries and jurisdictions that do not or insufficiently apply the internationally accepted AML/CFT standards.

Pursuant to section 5.2, subsection 13, of the AML/CFT Handbook, it is a regulatory requirement that a financial and trust service provider must, as part of its on-going customer due diligence (CDD) procedures, establish appropriate customer activity and transaction monitoring procedures that scrutinize the activity and transactions of its customers. The monitoring procedures must include those, amongst others, which provide for the identification and scrutiny of business relationships and transactions connected with jurisdictions which do not or insufficiently comply with the international AML/CFT standards, including but not limited to the FATF Recommendations.

Pursuant to chapter 8, paragraph 8.5 subsection 21 of the AML/CFT Handbook, it is a regulatory requirement that a financial and trust service provider must keep adequate and orderly records containing the findings of reviews of activity and transactions connected with jurisdictions which do not, or insufficiently, apply the FATF Recommendations for a period of at least ten years from the date the business relationship ends, or, if in relation to an occasional transaction, for at least ten years from the date that the transaction was completed.

By letter of January 21, 2015 (CMB/pjj/1.13/INT/3795) the CBA sent you a similar letter regarding the previous FATF Public Statement and FATF document titled “Improving Global AML/CFT Compliance: On-going Process” (hereafter: FATF Compliance Document), also requiring you to take certain follow-up actions.

The purpose of this letter is to draw your urgent attention to the FATF Public Statement dated February 27, 2015 (enclosure 1) and the FATF Compliance Document of February 27, 2015 (enclosure 2). It is important to take good notice of the category change applicable to some countries when comparing the FATF Public Statement and the FATF Compliance Document of October 24, 2014 with the FATF Public Statement and the FATF Compliance Document of February 27, 2015.

With regard to the FATF Public Statement note that the following country has been removed from the FATF Public Statement:

- Indonesia

Pursuant to its substantial progress in addressing its action plan agreed upon with the FATF, Indonesia is now identified in the FATF Compliance Document.

Furthermore with regard to Iran the FATF Public Statement states that 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 against Iran in June 2015.

With regard to the FATF Compliance Document the following country has been added:

- Indonesia

As previously noted, pursuant to the progress made by Indonesia in substantially addressing its action plan agreed upon with the FATF, it has been removed from the FATF Public Statement and now has been added in this document.

Also note that Albania, Cambodia, Kuwait, Namibia, Nicaragua, Pakistan, and Zimbabwe have been removed from this document and are no longer subject to FATF's monitoring process under its on-going global AML/CFT compliance process, since these countries have established the legal and regulatory framework to meet the commitments in their action plan regarding the strategic deficiencies that the FATF had identified in the past.

The FATF Public Statement and the FATF Compliance Document of February 27, 2015 relate to FATF Recommendation 21 and articles 11 and 13 of the AML/CFT State Ordinance in that they identify countries that fall into the following three categories:

#### **A. FATF Public Statement**

##### **Category One**

Into this category fall **Iran** and the **Democratic People's Republic of Korea (DPRK)**. The FATF reaffirms its call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran and DPRK, including Iranian<sup>2</sup> and DPRK<sup>3</sup> companies and financial institutions. In addition to enhanced scrutiny, the FATF calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from ML/FT risks emanating from Iran and DPRK. FATF also urges and 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 and DPRK financial institutions to open branches and subsidiaries in their jurisdiction.

Furthermore, regarding Iran, due to the continuing terrorist financing threat emanating from Iran, jurisdictions should consider the steps already taken and possible additional safeguards or strengthening existing ones. Also, the FATF will consider calling on its members and urging all jurisdictions to strengthen counter-measures in June 2015 if Iran fails to take concrete steps to continue to improve its CFT regime.

##### **Category Two**

Into this category fall **Algeria, Ecuador, and Myanmar**. The FATF calls on its members to consider the risks arising from the deficiencies associated with these jurisdictions, given that they have not made sufficient progress in implementing their action plan to address the deficiencies identified.

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<sup>2</sup> Please note that with regard to Iran, the FATF reaffirms its February 25, 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from ML/TF risks emanating from Iran.

<sup>3</sup> Please note that with regard to DPRK, the FATF reaffirms its February 25, 2011 call on its members and urges to advise their financial institutions to give special attention to business relationships and transactions with DPRK, including DPRK companies and financial institutions.

## **B. FATF Compliance Document**

### **Category Three**

Into this category fall **Afghanistan, Angola, Guyana, Indonesia, Iraq, Lao PDR, Panama, Papua New Guinea, Sudan, Syria, Yemen and Uganda.**

As mentioned above, with regard to Uganda, if it does not take sufficient action to implement significant components of its action plan by June 2015, then the FATF will identify this jurisdiction as being out of compliance with its agreed action plan and will take the additional step of calling upon its members to consider the risks arising from the deficiencies associated with this country.

Furthermore the Compliance Document outlines the specific areas of weaknesses and requests member jurisdictions to consider the information in the document.

## **C. Required action**

The purpose of this letter is to ensure that senior management of the regulated entities is informed of these important issues and to request that it emphasizes the importance of this communication to its compliance officer and inform its management team of the risks associated with business involving these jurisdictions.

In addition to this important awareness raising, the CBA requires that regulated entities take the following specific actions with regard to the three categories of FATF listed countries:

**Category One Action** – the CBA requires the financial and trust service providers to:

- a) Conduct review of their client base on an ongoing basis to identify relationships or transactions with any connection to the Category One countries.
- b) Report such relationships or transactions to the CBA as soon as identified.
- c) Any relationship or transaction found must be rated ultra high risk and may only be continued if the regulated entity is satisfied it can monitor and mitigate the risks associated with such business. If the regulated entity is not satisfied the relationship must be exited.
- d) Document its risk assessment and monitoring/mitigation strategy and have this document available should the CBA wish to evaluate it.
- e) Record the progress of compliance with this action (or otherwise) in the board minutes.

All regulated entities are required to strictly comply with aforementioned instructions. The CBA will verify during the supervisory examinations whether this is done. Note in this respect that non-compliance will be treated very seriously.

**Category Two Action** – the CBA requires financial and trust service providers to:

- a) Review their client base to identify relationships or transactions with any connection to the Category Two countries by **May 8, 2015**.
- b) Any relationship or transaction found must be rated at least high risk, taking this new or other information held into account.
- c) Document its risk assessment and monitoring/mitigation strategy and have the document available should the CBA wish to evaluate it.
- d) Record the progress of compliance with this action (or otherwise) in the board minutes.







## High-risk and non-cooperative jurisdictions

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last updated: 27 Feb. 2015

### FATF Public Statement - 27 February 2015

Paris, 27 February 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  
Ecuador  
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 previous 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

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#### Document type

News

High-risk and non-cooperative Jurisdictions - February 2015

Public Statement

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

Algeria  
Ecuador  
Myanmar  
> full statement

Improving Global AML/CFT Compliance: on-going process

Afghanistan  
Angola  
Guyana  
Indonesia  
Iraq  
Lao PDR  
Panama  
Papua New Guinea  
Sudan  
Syria  
Yemen

**Jurisdictions not making sufficient progress**

Uganda

**Jurisdictions no longer subject to monitoring**

Albania  
Cambodia  
Kuwait  
Namibia  
Nicaragua  
Pakistan  
Zimbabwe  
> full statement

#### More information

About the International Co-operation Review Group (ICRG)

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 June 2015.

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

Since October 2014, the DPRK sent a letter to the FATF indicating its commitment to implementing the 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 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 enacting AML/CFT amendments on 15 February 2015 and issuing new customer due diligence guidelines on 8 February 2015. The FATF welcomes this development, but has not assessed the new measures due to their recent nature, and therefore the FATF has not yet determined the extent to which they address any of the following issues: (1) adequately criminalising terrorist financing; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets and (3) adopting customer due diligence obligations in compliance with the FATF Standards. Algeria also needs to issue corresponding asset freezing regulations. The FATF encourages Algeria to address its remaining deficiencies and continue the process of implementing its action plan.

## **Ecuador**

Ecuador has taken steps towards improving its AML/CFT regime, including by issuing CFT regulations for the freezing of terrorist assets and AML/CFT regulations for the supervision of credit and savings cooperatives. The FATF welcomes these developments. The new asset freezing regulations, due to their recent nature, have yet to be assessed by the FATF to determine the extent to which they establish adequate procedures to identify and freeze terrorist assets. Ecuador also needs to continue enhancing financial sector AML/CFT supervision, in particular the credit and savings cooperatives sector. The FATF encourages Ecuador to address its remaining deficiencies and 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.





## Improving Global AML/CFT Compliance: on-going process – 27 February 2015

Paris, 27 February 2015 - As part of its on-going review of compliance with the AML/CFT standards, the FATF has to date identified the following jurisdictions which 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 large number of jurisdictions have not yet been reviewed by the FATF. The FATF continues to identify additional jurisdictions, on an on-going 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.

Afghanistan	Iraq	Sudan
Angola	Lao PDR	Syria
Guyana	Panama	Yemen
Indonesia	Papua New Guinea	

### Jurisdiction not making sufficient progress

Uganda

### Jurisdictions no longer Subject to the FATF's On-Going AML/CFT Compliance Process

Albania	Namibia	Zimbabwe
Cambodia	Nicaragua	
Kuwait	Pakistan	

## Afghanistan

In June 2012, Afghanistan made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Afghanistan should continue to work on implementing its action plan to address its strategic AML/CFT deficiencies, including by: (1) adequately criminalising money laundering; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (3) implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors; (4) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; and (5) establishing and implementing effective controls for cross-border cash transactions. The FATF encourages Afghanistan to address its remaining deficiencies and continue the process of implementing its action plan.

### Document type

News

High-risk and non-cooperative Jurisdictions - February 2015

Public Statement

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

Algeria  
Ecuador  
Myanmar  
> full statement

Improving Global AML/CFT Compliance: on-going process

Afghanistan  
Angola  
Guyana  
Indonesia  
Iraq  
Lao PDR  
Panama  
Papua New Guinea  
Sudan  
Syria  
Yemen

### Jurisdictions not making sufficient progress

Uganda

### Jurisdictions no longer subject to monitoring

Albania  
Cambodia  
Kuwait  
Namibia  
Nicaragua  
Pakistan  
Zimbabwe  
> full statement

### More information

About the International Co-operation Review Group (ICRG)

## Angola

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In June 2010 and again in February 2013 in view of its revised action plan, Angola made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. However the FATF has determined that a strategic AML/CFT deficiency remains. Angola should continue to work on implementing its action plan to address this deficiency by ensuring that appropriate laws and procedures are in place to provide mutual legal assistance. The FATF encourages Angola to address its remaining deficiency and continue the process of implementing its action plan.

## Guyana

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In October 2014, Guyana made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic deficiencies remain. Guyana should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; (3) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing effective measures for customer due diligence and enhancing financial transparency; (6) strengthening suspicious transaction reporting requirements; and (7) implementing an adequate supervisory framework. The FATF encourages Guyana to address its remaining deficiencies and continue the process of implementing its action plan.

## Indonesia

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Since February 2010, when Indonesia made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Indonesia has made significant progress to improve its AML/CFT regime. Indonesia has substantially addressed its action plan at a technical level, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing adequate procedures to identify and freeze terrorist assets; and (3) enacting laws or other instruments to fully implement the 1999 International Convention for the Suppression of Financing of Terrorism. The FATF will conduct an on-site visit to confirm that the process of implementing the required reforms and actions is underway to address deficiencies previously identified by the FATF.

## Iraq

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In October 2013, Iraq made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Iraq should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (3) establishing effective customer due diligence measures; (4) establishing a fully operational

and effectively functioning financial intelligence unit; (5) establishing suspicious transaction reporting requirements; and (6) establishing and implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors. The FATF encourages Iraq to address its remaining deficiencies and continue the process of implementing its action plan.

## **Lao PDR**

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In June 2013, the Lao PDR made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since October 2014, the Lao PDR has taken steps towards improving its AML/CFT regime, including by enacting AML/CFT legislation. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. The Lao PDR should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; (3) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing suspicious transaction reporting requirements; (6) implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors; and (7) establishing and implementing effective controls for cross-border currency transactions. The FATF encourages the Lao PDR to address its AML/CFT deficiencies and continue the process of implementing its action plan.

## **Panama**

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In June 2014, Panama made a high-level political commitment to work with the FATF and GAFILAT to address its strategic AML/CFT deficiencies. Since October 2014, Panama has taken steps towards improving its AML/CFT regime, including by issuing guidance to reporting entities on filing STRs, improving the capacity of the FIU and issuing regulations on bearer shares. However, the FATF has determined that strategic AML/CFT deficiencies remain. Panama should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing an adequate legal framework for freezing terrorist assets; (3) establishing effective measures for customer due diligence in order to enhance transparency; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing suspicious transaction reporting requirements for all financial institutions and DNFBPs; and (6) ensuring effective legal mechanisms for international co-operation. The FATF encourages Panama to address its remaining deficiencies and continue the process of implementing its action plan.

## **Papua New Guinea**

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In February 2014, Papua New Guinea made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Papua New Guinea should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; (3) establishing and implementing an adequate legal framework for identifying,

tracing and freezing terrorist assets; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing suspicious transaction reporting requirements; (6) implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors; and (7) establishing and implementing effective controls for cross-border currency transactions. The FATF encourages Papua New Guinea to address its remaining deficiencies and continue the process of implementing its action plan.

## Sudan

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In February 2010 and again in June 2013 in view of its revised action plan, Sudan made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Since October 2014, Sudan has taken steps towards improving its AML/CFT regime, including by issuing customer due diligence circulars and guidelines for mutual legal assistance. However, the FATF has determined that strategic AML/CFT deficiencies remain. Sudan should continue to work on implementing its action plan to address these deficiencies, including by: (1) ensuring implementation of recent procedures established to freeze terrorist assets and (2) ensuring a fully operational and effectively functioning financial intelligence unit. The FATF encourages Sudan to address its remaining deficiencies and continue the process of implementing its action plan.

## Syria

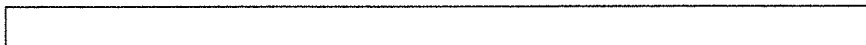
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Since February 2010, when Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Syria 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 action plan agreed upon with the FATF, due to the security situation, the FATF has been unable to conduct an on-site visit to assess whether the process of implementing the required reforms and actions is underway. The FATF will continue to monitor the situation.

## Yemen

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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 adequately criminalising money laundering and terrorist financing; establishing procedures to identify and freeze terrorist assets; improving its customer due diligence and suspicious transaction reporting requirements; issuing guidance; developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the financial intelligence unit (FIU); and establishing a fully operational and effectively functioning FIU. While the FATF determined that Yemen has completed its action plan agreed upon with the FATF, due to the security situation, the FATF has been unable to conduct an on-site visit to assess whether the process of implementing the required reforms and actions is underway. The FATF will continue to monitor the situation.



## **Jurisdictions not making sufficient progress**

The FATF is not yet satisfied that the following jurisdiction has made sufficient progress on its action plan agreed upon with the FATF. The most significant action plan items and/or the majority of the action plan items have not been addressed. If this jurisdiction does not take sufficient action to implement significant components of its action plan by June 2015, then the FATF will identify this jurisdiction as being out of compliance with its agreed action plan and will take the additional step of calling upon its members to consider the risks arising from the deficiencies associated with the jurisdiction.

### **Uganda**

Despite Uganda's high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies, the FATF is not yet satisfied that Uganda has made sufficient progress in improving its AML/CFT regime, and certain strategic AML/CFT deficiencies remain. Uganda should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (3) ensuring effective record-keeping requirements; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) ensuring adequate suspicious transaction reporting requirements; (6) ensuring an adequate and effective AML/CFT supervisory and oversight programme for all financial sectors; and (7) ensuring that appropriate laws and procedures are in place with regard to international co-operation for the financial intelligence unit and supervisory authorities. The FATF encourages Uganda to address its remaining AML/CFT deficiencies and continue the process of implementing its action plan.

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

### **Albania**

The FATF welcomes Albania's significant progress in improving its AML/CFT regime and notes that Albania has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2012. Albania is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Albania will work with MONEYVAL as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

### **Cambodia**

The FATF welcomes Cambodia's significant progress in improving its AML/CFT regime and notes that Cambodia has established the legal and regulatory

framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2011. Cambodia is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Cambodia will work with APG as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

## **Kuwait**

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The FATF welcomes Kuwait's significant progress in improving its AML/CFT regime and notes that Kuwait has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2012. Kuwait is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Kuwait will work with MENAFATF as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report, in particular, fully implementing UNSC Resolution 1373.

## **Namibia**

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The FATF welcomes Namibia's significant progress in improving its AML/CFT regime and notes that Namibia has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2011. Namibia is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Namibia will work with ESAAMLG as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

## **Nicaragua**

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The FATF welcomes Nicaragua's significant progress in improving its AML/CFT regime and notes that Nicaragua has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2011. Nicaragua is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Nicaragua will work with GAFILAT as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

## **Pakistan**

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The FATF welcomes Pakistan's significant progress in improving its AML/CFT regime and notes that Pakistan has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2010. Pakistan is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Pakistan will work with APG as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report, in particular, fully implementing UNSC Resolution 1267.



## Zimbabwe

The FATF welcomes Zimbabwe's significant progress in improving its AML/CFT regime and notes that Zimbabwe has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2011. Zimbabwe is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Zimbabwe will work with ESAAMLG as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.