



CENTRALE BANK VAN ARUBA

**ONLY VIA E-MAIL**

March 5, 2024

To the Managements of all regulated financial institutions  
and designated non-financial businesses and professions supervised by the CBA

VMI/lcw/2.4/2.46/INT/11922

**Subject: FATF Public Statement on High-Risk Jurisdictions subject to a Call for Action / FATF Public Statement on Jurisdictions under Increased Monitoring / FATF Public Statements on the Russian Federation**

Dear Management,

The purpose of this letter is to draw your urgent attention to:

- a. FATF Public Statement on High-Risk Jurisdictions subject to a Call for Action of February 2024 (enclosure 1)

In relation to the **Democratic People's Republic of Korea** and **Iran**, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and in the most serious cases, countries are called upon to apply countermeasures to protect the international financial system from the ongoing money laundering, terrorist financing, and proliferation financing risks emanating from these countries.

Furthermore, in view of the continued lack of progress and the majority of its action items still not addressed after a year beyond the action plan deadline, **Myanmar** remains on the FATF's list of countries subject to a call for action until its full action plan is completed. The FATF calls on all members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from the jurisdiction in relation to business relations and transactions with Myanmar by ensuring that the flows of funds for humanitarian assistance, legitimate non-profit organization's activity and remittances are not disturbed.

- b. FATF Public Statement on Jurisdictions under Increased Monitoring of February 23, 2024 (enclosure 2)

The FATF has identified **Bulgaria, Burkina Faso, Cameroon, Croatia, the Democratic Republic of Congo, Haiti, Jamaica, Kenya<sup>1</sup>, Mali, Mozambique, Namibia<sup>2</sup>, Nigeria, Philippines, Senegal, South Africa, South Sudan, Syria, Tanzania, Turkey, Vietnam, and Yemen** as jurisdictions that have strategic AML/CFT deficiencies. The information included in enclosure 4 must be included in your risk analysis when conducting transactions with persons or companies established in these jurisdictions.

For the sake of completeness, note that **Barbados, Gibraltar, Uganda, and United Arab Emirates** have been removed from FATF's list of jurisdictions under increased monitoring due to their significant progress in addressing the strategic AML/CFT deficiencies previously identified during their mutual evaluations.

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<sup>1</sup> Following FATF's review, Kenya and Namibia (underlined and marked with '\*\*') have been added to the FATF's list of jurisdictions under increased monitoring.

<sup>2</sup> *Ibid.*

c. FATF Public Statements on the Russian Federation of February 23, 2024, and February 24, 2023 (enclosure 3)

As a suspended member of the FATF due to the Russian Federation's unprovoked war against Ukraine, the Russian Federation remains accountable for its obligation to implement the FATF Standards. The FATF recalls its statement of February 24, 2023. The FATF continues to call upon all jurisdictions to remain vigilant of the potential risks to the international financial system, including growing financial connectivity of Russia with countries subject to FATF countermeasures, risks of proliferation financing, as well as malicious cyber activities and ransomware attacks.

**REQUIRED ACTIONS**

The Centrale Bank van Aruba (CBA) requires all regulated entities and designated non-financial businesses and professions to take duly notice of the information contained in the enclosures, as well as of the required follow-up actions that need to be taken.

Further details and the actions you must take are outlined in enclosure 4. The relevant regulatory framework is enclosed for your convenience (enclosure 5).

If you have any questions or comments regarding this letter, please contact Ms. Vasilena Ivanova, Policy Officer of the Integrity Supervision Department at telephone number (+297) 525-2227 or by email [v.ivanova@cbaruba.org](mailto:v.ivanova@cbaruba.org).

Sincerely yours,

A handwritten signature in blue ink, appearing to be 'Vasilena Ivanova', is written over the printed name of the Centrale Bank van Aruba.

Centrale Bank van Aruba

Enclosures: 5

cc Head of the Financial Intelligence Unit



The FATF



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High-Risk Jurisdictions subject to a Call for Action - February 2024

# High-Risk Jurisdictions subject to a Call for Action - February 2024

## Publication details

Language

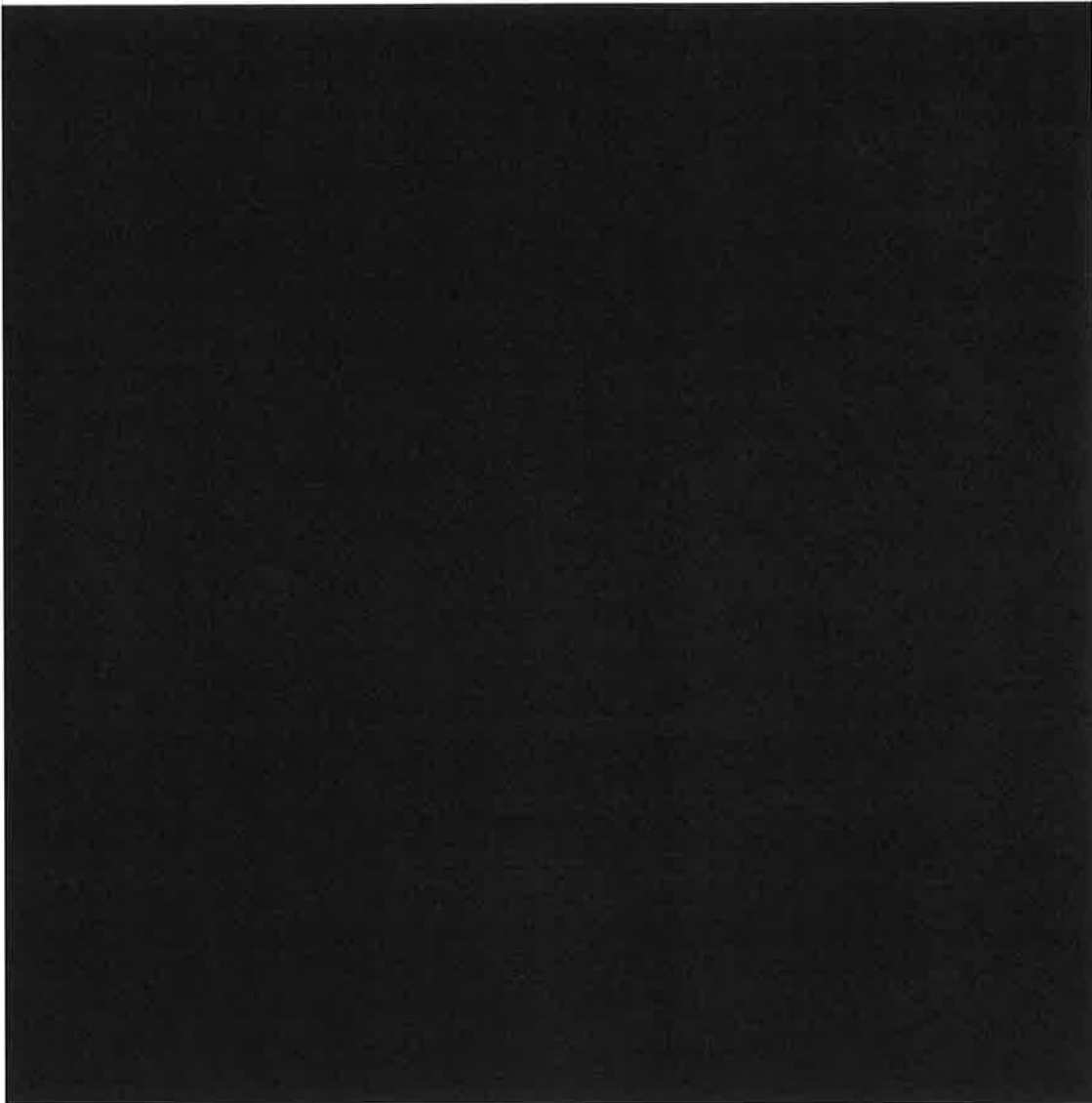
English

Country

[Democratic Republic of Korea](#) | [Iran](#) | [Myanmar](#)

Topic

[High-risk and other jurisdictions](#)



*Paris, 23 February 2024 -*

High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and, in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country. This list is often externally referred to as the “black list”. Since February 2020, in light of the COVID-19 pandemic, the FATF has paused the review process for Iran and DPRK, given that they are already subject to the FATF’s call for countermeasures.

Iran reported in January 2024 with no material changes in the status of its action plan.

Given heightened proliferation financing risks, the FATF reiterates its call to apply countermeasures on these high-risk jurisdictions.

## **Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures**

### ***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/TF/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.

## ***Iran***

In June 2016, Iran committed to address its strategic deficiencies. Iran's action plan expired in January 2018. In February 2020, the FATF noted Iran has not completed the action plan.[1]

In October 2019, the FATF called upon its members and urged all jurisdictions to: require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran; introduce enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran

Now, given Iran's failure to enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, the FATF fully lifts the suspension of counter-measures and calls on its members and urges all jurisdictions to apply effective counter-measures, in line with Recommendation 19.[2]

Iran will remain on the FATF statement on High Risk Jurisdictions Subject to a Call for Action until the full Action Plan has been completed. If Iran ratifies the Palermo and Terrorist Financing Conventions, in line with the FATF standards, the FATF will decide on next steps, including whether to suspend countermeasures. 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.

# **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**

## ***Myanmar***

In February 2020, Myanmar committed to address its strategic deficiencies. Myanmar's action plan expired in September 2021.

In October 2022, given the continued lack of progress and the majority of its action items still not addressed after a year beyond the action plan deadline, the FATF decided that further action was necessary in line with its procedures and FATF calls on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from Myanmar. When applying enhanced due diligence measures, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are not disrupted.

Since October 2023, Myanmar took steps to prioritise inspection of certain DNFBP sectors on a risk basis, however overall progress continues to be slow. Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) demonstrating an improved understanding of ML risks in key areas; (2) demonstrating that hundi operators are registered and supervised; (3) demonstrating enhanced use of financial intelligence in law enforcement authorities (LEAs) investigations, and increasing operational analysis and disseminations by the financial intelligence unit (FIU); (4) ensuring that ML is investigated/prosecuted in line with risks; (5) demonstrating investigation of transnational ML cases with international cooperation; (6) demonstrating an increase in the freezing/seizing and confiscation of criminal

proceeds, instrumentalities, and/or property of equivalent value; (7) managing seized assets to preserve the value of seized goods until confiscation; and (8) addressing technical compliance deficiencies related to R.7 to ensure effective implementation of targeted financial sanctions related to proliferation financing

The FATF urges Myanmar to work to fully address its AML/CFT deficiencies, including to demonstrate that its monitoring and supervision of money or value transfer services (MVTs) is based on documented and sound understanding of ML/TF risks to mitigate undue scrutiny of legitimate financial flows.

Myanmar will remain on the list of countries subject to a call for action until its full action plan is completed.

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[1] 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. Since 2016, Iran established a cash declaration regime, enacted amendments to its Counter-Terrorist Financing Act and its Anti-Money Laundering Act, and adopted an AML by-law

In February 2020, 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) demonstrating how authorities are identifying and sanctioning unlicensed money/value transfer service providers; (5) ratifying and implementing the Palermo and TF Conventions and clarifying the capability to provide mutual legal assistance; and (6) ensuring that financial institutions verify that wire transfers contain complete originator and beneficiary information.

[2] Countries should be able to apply appropriate countermeasures when called upon to do so by the FATF. Countries should also be able to apply countermeasures independently of any call by the FATF to do so. Such countermeasures should be effective and proportionate to the risks

[The Interpretative Note to Recommendation 19](#) specifies examples of the countermeasures that could be undertaken by countries.

## Related materials

23 Feb 2024      [Jurisdictions under Increased Monitoring - 23 February 2024](#)

Jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. Two additional countries, Kenya and Namibia, are now also subject to increased monitoring. Barbados, Gibraltar, Uganda and the United Arab Emirates are no longer subject to increased monitoring by the FATF.

23 Feb 2024      [Outcomes FATF Plenary, 21-23 February 2024](#)

The fifth Financial Action Task Force FATF Plenary under the two-year Singapore Presidency of T. Raja Kumar took place in Paris on 21-23 February, 2024.



The FATF



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Jurisdictions under Increased Monitoring - 23 February 2024

# Jurisdictions under Increased Monitoring - 23 February 2024

## Publication details

Language	Country	Topic
English	<a href="#">Bulgaria, Burkina Faso, Cameroon, Democratic Republic of the Congo, Croatia, Haiti, Jamaica, Kenya, Mali, Mozambique, Namibia, Nigeria, Philippines, Senegal, South Africa, South Sudan, Syria, Tanzania, Turkiye, Vietnam, Yemen</a>	<a href="#">High-risk and other monitored jurisdictions</a>

No longer subject to FATF Increased Monitoring

*Paris, 23 February 2024 -*

Jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring. This list is often externally referred to as the "grey list".

The FATF and FATF-style regional bodies (FSRBs) continue to work with the jurisdictions below as they report on the progress achieved in addressing their strategic deficiencies. The FATF calls on these jurisdictions to complete their action plans expeditiously and within the agreed timeframes. The FATF welcomes their commitment and will closely monitor their progress. The FATF does not call for the application of enhanced due diligence measures to be applied to these jurisdictions. The FATF Standards do not envisage de-risking, or cutting-off entire classes of customers, but call for the application of a risk-based approach. Therefore, the FATF encourages its members and all jurisdictions to take into account the information presented below in their risk analysis.

The FATF identifies additional jurisdictions, on an on-going basis, that have strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. A number of jurisdictions have not yet been reviewed by the FATF or their FSRBs, but will be in due course.

The FATF provides some flexibility to jurisdictions not facing immediate deadlines to report progress on a voluntary basis. The following countries had their progress reviewed by the FATF since October 2023: Barbados, Bulgaria; Burkina Faso, Croatia, Democratic Republic of Congo, Gibraltar, Jamaica, Mali, Mozambique, Nigeria, Philippines, Senegal, South Africa, South Sudan, Tanzania, Turkiye, UAE, and Uganda. For these countries, updated statements are provided below. Cameroon, Haiti, Syria, Vietnam and Yemen chose to defer reporting; thus, the statements issued previously

for those jurisdictions are included below, but it may not necessarily reflect the most recent status of the jurisdictions' AML/CFT regimes. Following review, the FATF now also identifies Kenya and Namibia.

## **BULGARIA**

Since October 2023, when Bulgaria made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime, Bulgaria has taken steps towards improving its AML/CFT regime, including by addressing technical compliance deficiencies related to Recommendations 6, 10 and 24. Bulgaria should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) implementing its national AML/CFT Strategy through adopting a comprehensive action plan; (2) addressing the remaining technical compliance deficiencies; (3) demonstrating initial implementation of risk-based supervision for postal money operators, currency exchange providers and real estate agents and establishing market entry controls for VASPs and postal money operators; (4) ensuring that the beneficial ownership information held in the Register is accurate and up-to-date; (5) completing the implementation of the automated system to ensure more automated prioritisation of STRs; (6) improving investigations and prosecutions of different types of money laundering in line with risks, including high-scale corruption and organised crime; (7) ensuring that confiscation is pursued as a policy objective; (8) ensuring the ability to conduct parallel financial investigations in all terrorism investigations; (9) addressing gaps in the TF and PF targeted financial sanctions (TFS) frameworks; and (10) identifying the subset of non-profit organisations (NPOs) most vulnerable to TF abuse and demonstrating initial implementation of risk-based monitoring to prevent abuse for TF purposes.

## **BURKINA FASO**

Since February 2021, when Burkina Faso made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Burkina Faso has taken steps towards improving its AML/CFT regime, including by increasing TF investigations and prosecutions in line with its risk profile. Burkina Faso should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) strengthening resource capacities of all AML/CFT supervisory authorities and implementing risk based supervision of FIs and DNFBPs; (2) maintaining comprehensive and updated basic and beneficial ownership information of legal persons and strengthening the system of sanctions for violations of transparency obligations; (3) increasing the diversity of suspicious transactions reporting; (4) establishing procedures for effective implementation of declaration of cross-border transportation of currencies and bearer negotiable instruments; and (5) implementing an effective TFS regime related to TF and PF as well as risk-based monitoring and supervision of NPOs.

The FATF notes Burkina Faso's continued progress across its action plan, however all deadlines have expired and work remains. The FATF urges Burkina Faso to swiftly implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines expired in December 2022.

## **CAMEROON**

(Statement from June 2023)

In June 2023, Cameroon made a high-level political commitment to work with the FATF and GABAC to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in October 2021, Cameroon has made progress on some of the MER's recommended actions by increasing the resources of the FIU and building the capacity of investigation authorities and judicial bodies to effectively conduct ML/TF cases. Cameroon will work to implement its FATF action plan by: (1) Aligning AML/CFT national strategies and policies with the findings of the NRA and monitoring their implementation, and demonstrating AML/CFT cooperation and coordination between competent authorities; (2) Ensuring risk-based prioritisation of incoming international cooperation requests in line with risks and responding in

an effective manner; (3) Enhancing risk-based supervision of banks and implementing effective risk-based supervision for non-bank FIs and DNFBPs, and conducting appropriate outreach to high-risk FIs and DNFBPs; (4) Maintaining and ensuring timely access by competent authorities to adequate and up to date beneficial ownership information on legal persons, and establishing a sanctions regime for violations of transparency obligations applicable to legal persons; (5) Enhancing secure information exchange between the FIU, reporting entities and competent authorities and demonstrating an increase in dissemination of intelligence reports to support operational needs of competent authorities; (6) Demonstrating that authorities are able to conduct a range of ML investigations, and prosecute ML in line with risks; (7) Implementing policies and procedures for seizing and confiscating proceeds and instrumentalities of crime and managing frozen, seized and confiscated property, and prioritising seizure and confiscation of assets at the border; (8) Demonstrating that TF investigations and prosecutions are pursued in line with risk; and (9) Demonstrating effective implementation of TF and PF TFS regimes and implementing a risk-based approach to NPOs without disrupting legitimate NPO activities.

## **DEMOCRATIC REPUBLIC OF THE CONGO**

Since October 2022, when the DRC made a high-level political commitment to work with the FATF and GABAC to strengthen the effectiveness of its AML/CFT regime, the DRC has taken steps towards improving its AML/CFT regime, including by finalising their three-year AML/CFT National Strategy. The DRC should continue to work to implement its FATF action plan to address its strategic deficiencies, including by: (1) disseminating the NRA on ML and TF to all key stakeholders; (2) developing and implementing a risk-based supervision plan; (3) building the capacity of the FIU to conduct operational and strategic analysis; (4) strengthening the capabilities of authorities involved in the investigation and prosecution of ML and TF; and (5) demonstrating effective implementation of TF and PF-related TFS.

## **CROATIA**

Since June 2023, when Croatia made a high-level political commitment to work with the FATE and MONEYVAL to strengthen the effectiveness of its AML/CFT regime, Croatia has taken steps towards improving its AML/CFT regime, including by completing its national risk assessment. Croatia should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) Increasing FIU human resources and improving analytical capabilities; (2) Continuing to improve law enforcement authorities (LEAs) detection, investigation and prosecution of different types of ML, including ML involving a foreign predicate offences and the misuse of legal persons; (3) Demonstrating a sustained increase in the application of provisional measures in securing direct/indirect proceeds, as well as foreign proceeds subject to confiscation; (4) Demonstrating the ability to systematically detect and where relevant investigate TF in line with its risk profile; (5) Establishing a national framework for the implementation of UN TFS measures and providing guidance and conducting outreach and training to the reporting entities; and (6) Identifying the subset of NPOs most vulnerable to TF abuse and providing targeted outreach to NPOs and to the donor community on potential vulnerabilities of NPOs to TF abuse.

## **HAITI**

(Statement from October 2023)

Since June 2021, when Haiti made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, Haiti has taken steps towards improving its AML/CFT regime, including by facilitating information sharing with relevant foreign counterparts and addressing technical deficiencies in its ML offence, TF offence, and AML/CFT preventive measures. The FATF recognises the political commitment expressed at a high level and the efforts demonstrated by Haiti to advance its commitments in the midst of the challenging social, economic and security situation within the country. Haiti should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) completing its ML/TF risk assessment process and disseminating the findings;

(2) implementing risk-based AML/CFT supervision for all financial institutions and DNFBPs deemed to constitute a higher ML/TF risk; (3) ensuring basic and beneficial ownership information are maintained and accessible in a timely manner; (4) ensuring a better use of financial intelligence and other relevant information by competent authorities for combatting ML and TF; (5) demonstrating authorities are identifying, investigating and prosecuting ML cases in a manner consistent with Haiti's risk profile; (6) demonstrating an increase of identification, tracing and recovery of proceeds of crimes; (7) addressing the technical deficiencies in its targeted financial sanctions regime; and (8) conducting appropriate risk-based monitoring of NPOs vulnerable to TF abuse without disrupting or discouraging legitimate NPO activities.

The FATF notes Haiti's continued progress across its action plan, however all deadlines have now expired and work remains. The FATF encourages Haiti to continue to implement its action plan to address the above-mentioned strategic deficiencies.

## **JAMAICA**

In February 2020, Jamaica made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. At its February 2024 Plenary, the FATF made the initial determination that Jamaica has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of the AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future.

Jamaica has made key reforms, including: (1) developing a more comprehensive understanding of its ML/TF risk; (2) including all FIs and DNFBPs in the AML/CFT regime and implementing adequate risk based supervision in all sectors; (3) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate and up to date basic and beneficial ownership information is available on a timely basis; (4) taking proper measures to increase ML investigations and prosecutions, in line with the country's risk profile, and increase the use of financial intelligence information in ML

investigations; (5) implementing targeted financial sanctions for terrorist financing without delay; and (6) implementing a risk based approach for supervision of its NPO sector to prevent abuse for TF purposes.

## **KENYA**

In February 2024, Kenya made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in September 2022, Kenya has made progress on some of the MER's recommended actions including by making amendments to its AML/CFT legislation to bring its framework in closer compliance with the FATF recommendations and establishing a case management system to better manage its international cooperation requests. Kenya will work to implement its FATF action plan by: (1) completing a TF risk assessment and presenting the results of the NRA and other risk assessments in a consistent manner to competent authorities and the private sector and updating the national AML/CFT strategies; (2) improving risk-based AML/CFT supervision of FIs and DNFBPs and adopting a legal framework for the licensing and supervision of VASPs; (3) enhancing the understanding of preventive measures by FIs and DNFBPs, including to increase STR filing and implement TFS without delay; (4) designating an authority for the regulation of trusts and collection of accurate and up-to-date beneficial ownership information and implementing remedial actions for breaches of compliance with transparency requirements for legal persons and arrangements; (5) improving the use and quality of financial intelligence products; (6) increasing ML and TF investigations and prosecutions in line with risks; (7) bringing the TFS framework in compliance with R.6 and R.7 and ensure its effective implementation; and (8) revising the framework for NPO regulation and oversight to ensure that mitigating measures are risk-based and do not disrupt or discourage legitimate NPO activity.

## **MALI**

Since October 2021, when Mali made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Mali has taken steps towards improving its AML/CFT regime, including by disseminating the results of its assessment of ML/TF risks associated with legal persons, conducting parallel financial investigations for terrorism cases and using other criminal justice measures when TF conviction is not possible, and strengthening its legal framework for targeted financial sanctions. Mali should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating timely access to accurate beneficial ownership information; (2) identifying and investigating TF activities in line with the country's risk profile; (3) implementing TFS related to TF and PF; and (4) implementing a risk-based approach for the monitoring of the NPO sector to prevent abuse for TF purposes.

The FATF notes Mali's continued progress across its action plan, however all deadlines have now expired and work remains. The FATF encourages Mali to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible.

## **MOZAMBIQUE**

Since October 2022, when Mozambique made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime, Mozambique has taken steps towards improving its AML/CFT regime, including by ensuring cooperation and coordination amongst relevant authorities to implement risk-based AML/CFT strategies, conducting training for all LEAs on mutual legal assistance, and conducting a comprehensive TF Risk Assessment. Mozambique should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) providing adequate financial and human resources to supervisors, developing and implementing a risk-based supervision plan; (2) providing adequate resources to the authorities to commence the collection of adequate, accurate and up-to-date beneficial ownership information of legal

persons; (3) increasing the human resources of the FIU as well as increasing financial intelligence sent to authorities; (4) demonstrating LEAs capability to effectively investigate ML/TF cases using financial intelligence; (5) beginning implementation of a comprehensive national CFT strategy; (6) increasing awareness on TF and PF-related TFS; and (7) carrying out the TF risk assessment for NPOs in line with the FATF Standards and using it as a basis to develop an outreach plan.

## **NAMIBIA**

In February 2024, Namibia made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in September 2022, Namibia has made progress on its MER's recommended actions to ensure a common understanding of ML/TF/PF risk across key stakeholders as well as improve international cooperation. Namibia will work to implement its FATF action plan by: (1) strengthening its AML/CFT risk based supervision through enhancing the human and resource capacities, conducting offsite and onsite inspections informed by supervisory risk assessment tools and applying effective, proportionate and dissuasive sanctions for breaches of AML/CFT obligations; (2) enhancing preventive measures through inspections and outreach to ensure that FIs and DNFBPs apply enhanced due diligence measures as well as TFS obligations related to TF and PF without delay; (3) increasing the filing of beneficial ownership information of legal persons and arrangements, and applying remedial actions and/or effective, proportionate and dissuasive sanctions against breaches of compliance with BO obligations; (4) providing the FIU with adequate human and financial resources, as well as trainings, to improve operational and strategic analysis; (5) improving the cooperation between the FIU and LEAs to enhance the use and integration of financial intelligence in investigations; (6) enhancing the operational capabilities of authorities involved in ML and TF investigations and prosecutions by providing them with adequate resources and targeted trainings; (7) demonstrating the LEAs' capabilities to effectively investigate and prosecute ML/TF cases; and (8) approving the amended National Counter Terrorism Strategy.

## **NIGERIA**

Since February 2023, when Nigeria made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Nigeria has taken steps towards improving its AML/CFT regime, including by updating its national AML/CFT strategy and other relevant national strategies, establishing a mechanism to maintain comprehensive data on asset confiscation and conducting risk-based and targeted outreach to NPOs at risk of TF abuse. Nigeria should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) disseminating its residual ML/TF risk assessment; (2) enhancing formal and informal international cooperation in line with ML/TF risks; (3) improving AML/CFT risk-based supervision of FIs and DNFBPs and enhancing implementation of preventive measures for high-risk sectors; (4) ensuring that competent authorities have timely access to accurate and up-to-date beneficial ownership (BO) information on legal persons and applying sanctions for breaches of BO obligations; (5) demonstrating an increase in the dissemination of financial intelligence by the FIU and its use by LEAs; (6) demonstrating a sustained increase in ML investigations and prosecutions in line with ML risks; (7) proactively detecting violations of currency declaration obligations and apply appropriate sanctions; (8) demonstrating sustained increase in investigations and prosecutions of different types of TF activities in line with risk and enhancing interagency cooperation on TF investigations; and (9) implementing risk-based monitoring for the subset of NPOs at risk of TF abuse without disrupting or discouraging legitimate NPO activities.

## **PHILIPPINES**

Since June 2021, when the Philippines made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime, the Philippines has taken steps towards improving its AML/CFT regime, including by identifying and investigating TF cases. The Philippines should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating that effective risk-based supervision of DNFBPs is occurring; (2) demonstrating that supervisors are using AML/CFT controls to mitigate risks

associated with casino junkets; (3) enhancing and streamlining LEA access to BO information and taking steps to ensure that BO information is accurate and up-to-date; (4) demonstrating an increase in ML investigations and prosecutions in line with risk; and (5) demonstrating an increase in the prosecution of TF cases.

The FATF urges the Philippines to swiftly implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines expired in January 2023.

## **SENEGAL**

Since February 2021, when Senegal made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Senegal has taken steps towards improving its AML/CFT regime, including by improving the detection of AML/CFT violations of FIs and DNFBPs, establishing an effective mechanism to maintain accurate and updated beneficial ownership information on legal persons, identifying and investigating TF activities, strengthening its targeted financial sanction regime, including by conducting outreach to FIs and DNFBPs on their obligations. Senegal should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) improving compliance of high-risk FIs and DNFBPs with their STR reporting obligation; and (2) implementing risk-based monitoring of NPOs at risk of TF abuse.

The FATF notes Senegal's continued progress across its action plan, however all deadlines have expired and work remains. The FATF urges Senegal to swiftly implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines expired in September 2022.

## **SOUTH AFRICA**

Since February 2023, when South Africa made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT

regime, South Africa has taken steps towards improving its AML/CFT regime including by addressing technical deficiencies in its targeted financial sanction regime related to terrorism financing, increasing the use of financial intelligence from FIC to support ML/TF investigations and increasing the resources of AML/CFT supervisors. South Africa should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating a sustained increase in outbound mutual legal assistance (MLA) requests that help facilitate ML/TF investigations and confiscations of different types of assets in line with its risk profile; (2) improving risk-based supervision of DNFBPs and demonstrating that all AML/CFT supervisors apply effective, proportionate, and effective sanctions for noncompliance; (3) ensuring that competent authorities have timely access to accurate and up-to-date BO information on legal persons and arrangements and applying sanctions for breaches of violation by legal persons to BO obligations; (5) demonstrate a sustained increase in investigations and prosecutions of serious and complex money laundering and the full range of TF activities in line with its risk profile; (6) enhancing its identification, seizure and confiscation of proceeds and instrumentalities of a wider range of predicate crimes, in line with its risk profile; (7) updating its TF Risk Assessment to inform the implementation of a comprehensive national counter financing of terrorism strategy; and (8) ensuring the effective implementation of targeted financial sanctions and demonstrating an effective mechanism to identify individuals and entities that meet the criteria for domestic designation.

## **SOUTH SUDAN**

Since June 2021, when South Sudan made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime, South Sudan has taken steps towards improving its AML/CFT regime, including by completing its ML/TF National Risk Assessment (NRA). South Sudan should continue to work to implement its action plan, including by: (1) completing its comprehensive review of the AML/CFT Act (2012), with the support of international partners, including technical assistance, to comply with the FATF Standards; (2) fully implementing the 1988 Vienna Convention, the 2000 Palermo Convention, and the 1999 Terrorist Financing Convention; (3) ensuring that competent authorities are

suitably structured and capacitated to implement a risk-based approach to AML/CFT supervision for financial institutions; (4) developing a comprehensive legal framework to collect and verify the accuracy of beneficial ownership information for legal persons; (5) operationalising a fully functioning and independent FI; (6) establishing and implementing the legal and institutional framework to implement targeted financial sanctions in compliance with United Nations Security Council Resolutions on terrorism and WMD proliferation financing; and (7) commencing implementation of targeted risk-based supervision/monitoring of NPOs at risk of TF abuse.

The FATF notes South Sudan's limited progress across its action plan with all deadlines now expired and work remaining. The FATF again encourages South Sudan to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible and demonstrate strong political and institutional commitment to strengthen the effectiveness of its AML/CFT regime, particularly in supporting the lead AML/CFT agency in coordinating national AML/CFT efforts.

## **SYRIA**

(Statement from February 2023)

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.

## **TANZANIA**

Since October 2022, when Tanzania made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime, Tanzania has taken steps towards improving its AML/CFT regime, including by building the capacity of its LEAs to investigate and prosecute different types of ML cases through recruitment and training of new and existing staff, as well as addressing TFS technical deficiencies. Tanzania should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) improving risk-based supervision of FIs and DNFBPs, including by conducting inspections on a risk-sensitive basis and applying effective, proportionate, and dissuasive sanctions for non-compliance; (2) demonstrating authorities' capability to effectively conduct a range of investigations and prosecutions of ML in line with the country's risk profile; (3) demonstrating that LEAs are taking measures to identify, trace, seize, and confiscate proceeds and instrumentalities of crime; (4) conducting a comprehensive TF Risk Assessment and beginning to implement a comprehensive national CFT strategy as well as demonstrating capability to conduct TF investigations and pursue prosecutions in line with the country's risk profile; (5) increasing awareness of the private sector and competent authorities on TF and PF-related TFS; and (6) carrying out the TF risk assessment for NPOs in line with the FATF Standards and using it as a basis to develop an outreach plan.

## **TURKIYE**

In October 2021, Turkiye made high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. At its February 2024 Plenary, the FATF made the initial determination that Turkiye has substantially completed its action plan and warrants an on-site assessment to verify the implementation of the AML/CFT reforms has begun and is being sustained, that the, and that the necessary political commitment remains in place to sustain implementation in the future.

Turkiye has made key reforms, including: (1) enhancing its approach to risk-based AML/CFT supervision; (2) taking steps to ensure sanctions for AML/CFT breaches

and beneficial ownership requirements are dissuasive; (3) enhancing resources for its FIU and the use of financial intelligence produced; (4) undertaking more complex ML investigations and prosecutions in line with risks; (5) improving its asset recovery system; (6) prioritising TF investigations, prosecutions and confiscations related to UN-designated groups; (7) enhancing its implementation of targeted financial sanctions for terrorism financing; and (8) enhancing outreach to a broad range of NPOs and taking steps to ensure that supervision of NPOs is risk-based and does not disrupt or discourage legitimate NPO activity, such as fundraising.

## **VIETNAM**

(Statement from June 2023)

In June 2023, Vietnam made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in November 2021, Vietnam has made progress on some of the MER's recommended actions by joining the Asset Recovery Interagency Network Asia Pacific (ARIN-AP) and adopting a national action plan on AML/CFT/CPF. Vietnam will work to implement its FATF action plan by: (1) Increasing risk understanding, domestic co-ordination and co-operation to combat ML/TF; (2) Enhancing international co-operation; (3) Implementing effective risk-based supervision for FIs and DNFBPs; (4) Taking action to regulate virtual assets and virtual asset service providers; (5) Addressing technical compliance deficiencies, including with respect to the ML offence, targeted financial sanctions, customer due diligence and suspicious transaction reporting; (6) Conducting outreach activities with the private sector; (7) Establishing a regime that provides competent authorities with adequate, accurate and up-to-date information on beneficial ownership; (8) Ensuring the independence of the FIU and enhancing the quality and quantity of financial intelligence analysis and disseminations; (9) Prioritizing parallel financial investigations and demonstrating an increase in the number of ML investigations and prosecutions undertaken; (10) demonstrating that there is monitoring of FIs and DNFBPs for compliance with PF TFS obligations and that there is co-operation and co-ordination between authorities to prevent PF TFS from being evaded.

## **YEMEN**

(Statement from February 2023)

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 INCREASED MONITORING BY THE FATF**

### **BARBADOS**

The FATF welcomes Barbados' significant progress in improving its AML/CFT regime. Barbados strengthened the effectiveness of its AML/CFT regime to meet the commitments in its action plan regarding the strategic deficiencies that the FATF

identified in February 2020, including (1) demonstrating it effectively applies risk-based supervision for FIs and DNFBPs; (2) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate updated beneficial ownership information is available on a timely basis; (3) increasing the capacity of the FILI to improve the quality of its financial information to further assist LEAs in investigating ML or TF; (4) demonstrating that money laundering investigations and prosecutions are in line with the country's risk profile and reducing the backlog in the adjudication of criminal cases, in particular ML cases involving confiscation, and demonstrating the application of sanctions when appropriate; and (5) further pursuing confiscation in ML, including by seeking assistance from foreign counterparts. Barbados is therefore no longer subject to the FATF's increased monitoring process.

Barbados should continue to work with CFATF to sustain its improvements in its AML/CFT system.

## **GIBRALTAR**

The FATF welcomes Gibraltar's significant progress in improving its AML/CFT regime. Gibraltar strengthened the effectiveness of its AML/CFT regime to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in June 2022 including by (1) applying effective, proportionate, and dissuasive sanctions for AML/CFT breaches in non-bank financial institutions and DNFBPs sectors; and (2) pursuing final confiscation judgments commensurate with the risk and context of Gibraltar. Gibraltar is therefore no longer subject to the FATF's increased monitoring process.

Gibraltar should continue to work with MONEYVAL to sustain its improvements in its AML/CFT system.

## **UGANDA**

The FATF welcomes Uganda's significant progress in improving its AML/CFT regime. Uganda strengthened the effectiveness of its AML/CFT regime to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in February 2020 including by: (1) adopting a national AML/CFT strategy; (2) enhancing the use of MLA and maintaining statistics; (3) developing risk-based supervision of the financial and DNFBP sectors; (4) assessing the ML/TF risks related to legal persons and ensuring that competent authorities have timely access to accurate basic and beneficial ownership information; (5) pursuing ML investigations and prosecutions, applying ML charges consistent with the country's risk profile and establishing procedures to trace and seize proceeds of crimes; (6) demonstrating an ability to conduct TF investigation and prosecution; (7) addressing the technical deficiencies in the legal framework to implement PF-related TFS; (8) developing an outreach and risk-based oversight plan to protect its NPO sector from potential TF abuse. Uganda is therefore no longer subject to the FATF's increased monitoring process.

Uganda should continue to work with ESAAMLG to sustain improvements in its AML/CFT system, including by ensuring its oversight of NPOs is risk-based and in line with the FATF Standards rather than classifying all NPOs as obliged entities. Uganda is strongly encouraged to continue cooperating with ESAAMLG on this issue.

## **UNITED ARAB EMIRATES**

The FATF welcomes the UAE's significant progress in improving its AML/CFT regime. The UAE strengthened the effectiveness of its AML/CFT regime to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in February 2022 including by: (1) increasing outbound MLA requests to facilitate ML/TF investigations; (2) improving understanding of ML/TF risks of DNFBP supervisors, applying effective and proportionate sanctions for AML/CFT noncompliance involving FIs and DNFBPs, and increasing STR filing for those sectors; (3) developing a better understanding of risk of abuse of legal persons and implementing risk-based mitigating measures to prevent their abuse; (4) providing

additional resources to the FIU to increase its capacity to provide financial intelligence to LEA and making greater use of financial intelligence, including from foreign counterparts, to pursue high-risk ML threats; (5) increasing investigations and prosecution of ML; (6) ensuring effective implementation of TFS through sanctioning noncompliance among reporting entities and demonstrating a better understanding of UN sanctions evasion among the private sector. The UAE is therefore no longer subject to the FATF's increased monitoring process.

The UAE should continue to work with MENAFATF to sustain its improvements in its AML/CFT system.

## Related materials

23 Feb 2024 [Outcomes FATF Plenary, 21-23 February 2024](#)

The fifth Financial Action Task Force FATF Plenary under the two-year Singapore Presidency of T. Raja Kumar took place in Paris on 21-23 February, 2024.

23 Feb 2024 [High-Risk Jurisdictions subject to a Call for Action - February 2024](#)

High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and, in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country..



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**FATF Statement on the Russian Federation**

# FATF Statement on the Russian Federation

## Publication details

Language

Country

Topic

*Paris, 23 February 2024* – Two years after the Russian Federation’s unprovoked war against Ukraine, the FATF recalls its statement of 24 February 2023 (see below).

FATF members note with concern the potential risks to the international financial system, including growing financial connectivity of Russia with countries subject to FATF countermeasures, risks of proliferation financing, and malicious cyber activities and ransomware attacks. Due to the gravity of these

risks, many FATF members are taking proactive measures to protect themselves and the global financial system.

The FATF calls upon all jurisdictions to continue to remain vigilant due to the above-mentioned risks. As they have done since the Russian Federation commenced its war of aggression, FATF members will continue to monitor the situation and the risks posed to the global financial system. As a suspended member of the FATF, the Russian Federation still remains accountable for its obligation to implement the FATF Standards.

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*24 February 2023* - One year after the Russian Federation's illegal, unprovoked and unjustified full-scale military invasion of Ukraine, the FATF reiterates its deepest sympathies for the people of Ukraine and continues to deplore the huge loss of lives and malicious destruction caused by the Russia Federation's ongoing brutal attack on Ukraine. The FATF acknowledges the United Nations General Assembly Resolution ES-11/1 which demands that the Russian Federation immediately, completely and unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders.

The FATF strongly condemns the Russian Federation's war of aggression against Ukraine. Over the past year, the Russian Federation has intensified its inhumane and brutal attacks targeting critical public infrastructure. The FATF is also deeply concerned by the reports of arms trade between the Russian Federation and United Nations sanctioned jurisdictions, and malicious cyber-activities emanating from Russia.

The Russian Federation's actions unacceptably run counter to the FATF core principles aiming to promote security, safety, and the integrity of the global financial system. They also represent a gross violation of the commitment to international cooperation and mutual respect upon which FATF Members have agreed to implement and support the FATF Standards. Considering the above, the FATF has decided to suspend the membership of the Russian Federation. The Russian Federation remains accountable for its obligation to implement the FATF Standards. The Russian Federation must continue to meet its financial obligations. The Russian Federation will remain a member of the Global

Network as an active member of the Eurasian Group on Combating Money Laundering (EAG) and retain its rights as an EAG member. The FATF will monitor the situation and consider at each of its Plenary meetings whether the grounds exist for lifting or modifying these restrictions.

The FATF continues to call upon all jurisdictions to remain vigilant of threats to the integrity, safety and security of the international financial system arising from the Russian Federation's war against Ukraine. The FATF reiterates that all jurisdictions should be alert to possible emerging risks from the circumvention of measures taken in order to protect the international financial system and take the necessary measures to mitigate these risks.

The FATF again expresses its sympathies to the people of Ukraine, who have borne a terrible burden at the hands of the Russian Federation's war of aggression. The FATF reflects the thoughts of the entire international community in hoping that this is the year that returns them to safety, peace, and prosperity

[FATF Statement on the Russian Federation, February 2023](#)

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## **ENCLOSURE 4: FATF Public Statements (February 2024)**

The FATF Public Statement on High-Risk Jurisdictions subject to a Call for Action dated February 2024 (<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-february-2024.html>), the FATF Public Statement on Jurisdictions under Increased Monitoring dated February 23, 2024 (<https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-february-2024.html>) and the FATF Public Statements on the Russian Federation dated February 23, 2024 and February 24, 2023 (<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfgeneral/fatf-statement-russian-federation-feb-2024.html>) relate to FATF Recommendation 19 and articles 11 and 13 of the State Ordinance for the Prevention and Combating of Money Laundering and Terrorist Financing (AB 2011 no.28) (AML/CFT State Ordinance) in that they identify countries that fall into the following five categories:

### **A. FATF Public Statement on High-Risk Jurisdictions subject to a Call for Action**

#### Category One

Into this category falls 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 DPRK, including DPRK companies and financial institutions, and those acting on their behalf.<sup>3</sup> In addition to enhanced scrutiny, the FATF calls on its members and urges all jurisdictions to apply effective countermeasures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions (UNSCRs) to protect their financial sectors from money laundering, financing of terrorism and weapons of mass destruction proliferation financing risks emanating from DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries, and representatives offices of DPRK banks within their territories and terminate correspondent relations with DPRK banks, where required by relevant UNSC resolutions.

#### Category Two

Into this category falls **Iran**. The FATF 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.

#### Category Three

Into this category falls **Myanmar**. Taking into consideration Myanmar's continued lack of progress and the majority of its action items still not addressed after a year beyond the action plan deadline, the FATF calls on members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from the jurisdiction in relation to business relations and transactions with Myanmar. In applying enhanced due diligence measures, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are not disrupted.

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<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 companies and financial institutions.

## **B. FATF Public Statement on Jurisdictions under Increased Monitoring**

### Category Four

Into this category fall **Bulgaria, Burkina Faso, Cameroon, Croatia, the Democratic Republic of Congo, Haiti, Jamaica, Kenya, Mali, Mozambique, Namibia, Nigeria, Philippines, Senegal, South Africa, South Sudan, Syria, Tanzania, Turkey, Vietnam, and Yemen**. This FATF Statement outlines the specific areas of weaknesses and requests member jurisdictions to consider the information in the document.

## **C. FATF Public Statement on the Russian Federation**

### Category Five

In light of the continuing and intensifying Russian Federation's war of aggression against Ukraine, the FATF continues to call upon all jurisdictions to remain vigilant of the potential risks to the international financial system, including growing financial connectivity of Russia with countries subject to FATF countermeasures, risks of proliferation financing, as well as malicious cyber activities and ransomware attacks.

## **D. Required actions**

The purpose of this letter is to ensure that senior management of all regulated entities and designated non-financial businesses and professions 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 **all regulated entities take the following specific actions** with regard to the following five categories of FATF listed countries:

Category One Action – the CBA requires all regulated financial entities and designated non-financial businesses and professions to:

- a) Conduct review of their client base on an ongoing basis to identify relationships or transactions with any connection to the Category One country.
- b) **Report such relationships or transactions to the CBA immediately.**
- 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 financial entities and designated non-financial businesses and professions are required to strictly comply with aforementioned instructions. The CBA will verify during the supervisory examinations whether this has been adequately executed. Note in this respect that non-compliance will be treated very seriously.

Categories Two and Three Action – the CBA requires all regulated financial entities and designated non-financial businesses and professions to:

- a) **Review their client base to identify relationships or transactions with any connection to the Category Two and Three countries by April 6, 2024.**
- 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.

**DEADLINE:** Please conclude the review of your client base by April 6, 2024. It is not necessary to send the results of your findings to the CBA. However, supervisory examinations by the CBA are likely to check that the work has been carried out within the stipulated timeframe. Non-compliance will be treated seriously.

Category Four Action – the CBA requires all regulated entities and designated non-financial businesses and professions to:

- a) **Review their client base to identify relationships or transactions with any connection to the Category Four countries by May 3, 2024.**
- b) Re-evaluate its risk assessment of the relationship taking this new and any 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.

**DEADLINE:** Please conclude the review of your client base by May 3, 2024. It is not necessary to send the results of your findings to the CBA. However, supervisory examinations by the CBA are likely to check that the work has been carried out within the stipulated timeframe. Non-compliance will be treated seriously.

Category Five Action – the CBA requires all regulated financial entities and designated non-financial businesses and professions to:

- a) **Review their client base to identify relationships or transactions with any connection to the Category Five country by April 6, 2024.**
- b) Re-evaluate its risk assessment of the relationship taking this new and any 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.
- e) Freeze funds or other assets to clients (including UBOs) placed on the UN or EU sanctions lists without delay and do not provide any further services to such clients.
- f) Immediately inform the CBA of any funds or other assets that have been frozen and report the same to the Financial Intelligence Unit Aruba (FIU-Aruba).

**DEADLINE:** Please conclude the review of your client base by April 6, 2024. It is not necessary to send the results of your findings to the CBA. However, supervisory examinations by the CBA are likely to check that the work has been carried out within the stipulated timeframe. Non-compliance will be treated seriously.

## **ENCLOSURE 5: Regulatory framework**

Pursuant to article 11 of the AML/CFT State Ordinance, service providers must perform enhanced customer due diligence, if and when a business relationship or a transaction by its nature carries a higher risk of money laundering, terrorist financing or proliferation financing. The enhanced customer due diligence shall be carried out both prior to the business relation being established or the transaction being carried out, as during the business relationship in any case with natural persons, legal persons, trusts, and legal structures that originate from countries or jurisdictions which do not or insufficiently apply the internationally accepted standards for the prevention and combating of money laundering, terrorist financing and proliferation financing, including in the case of complex and unusually large transactions and unusual transaction features that have no apparent economic or legal purpose.

Pursuant to article 13, paragraph 1, subsection a, of the AML/CFT State Ordinance, service providers must perform enhanced customer due diligence, in proportion to the risk, in the case of business relationships and transactions with natural persons, legal persons, corporations, trusts or other legal structures originating from countries or jurisdictions that do not or insufficiently comply with the internationally accepted standards for the prevention and combating of money laundering, terrorist financing, and proliferation financing.

Pursuant to article 13, paragraph 1, subsection b, of the AML/CFT State Ordinance, service providers must perform enhanced customer due diligence, in proportion to the risk, in the case of complex and unusually large transactions and unusual transaction features that have no apparent economic or legal purpose.

Pursuant to article 13, paragraph 2, of the AML/CFT State Ordinance, service providers may reasonably suspect that a transaction with a natural person, legal person, corporation, trust or other legal structure originating from a country or jurisdiction as referred to in the first paragraph does not have an apparent economic or legal purpose, or if a transaction referred to in the first paragraph, letter b, should occur, it must investigate the background and the purpose of this transaction and record its findings in writing.

Pursuant to article 13, paragraph 3, of the AML/CFT State Ordinance, the findings, referred to in the second paragraph, must be kept for at least ten years.

Article 13 of the AML/CFT State Ordinance is related to FATF Recommendation 19<sup>4</sup> which states:

*“Financial institutions should be required to apply enhanced due diligence measures to business relationships and transactions with natural and legal persons, and financial institutions, from countries for which this is called for by the FATF. The type of enhanced due diligence measures applied should be effective and proportionate to the risks. Countries should be able to apply appropriate countermeasures when called upon to do so by the FATF. Countries should also be able to apply countermeasures independently of any call by the FATF to do so. Such countermeasures should be effective and proportionate to the risks”.*

Furthermore, pursuant to chapter 5, section 5.3, subsection 5.3.2, 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.

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<sup>4</sup> FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation* (“FATF Recommendations”), Paris, France (updated March 2022), available at: [www.fatf-gafi.org/recommendations.html](http://www.fatf-gafi.org/recommendations.html).

Pursuant to chapter 6, section 6.1, subsection 6.1.2, of the AML/CFT Handbook, it is a regulatory requirement that service providers must, as part of its ongoing 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, section 8.1, subsection 8.1.2, of the AML/CFT Handbook, it is a regulatory requirement that service providers 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.