



CENTRALE BANK VAN ARUBA

ONLY VIA E-MAIL

February 25, 2025

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/12618

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 21, 2025 (enclosure 1)

In relation to the **Democratic People's Republic of Korea (DPRK)**, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence to DPRK and its ability to facilitate transactions on its behalf. Given the heightened terrorist financing risk emanating from **Iran**, countries are called upon to apply effective countermeasures on this high-risk jurisdiction to protect the international financial system.

Furthermore, in view of the continued lack of progress and the majority of its action items still not addressed, **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 emanating from the jurisdiction by increasing the degree and nature of monitoring of the business relationship for the purpose of determining whether those transactions or activities appear unusual or suspicious. When applying enhanced due diligence measures, countries are required to ensure that the flows of funds for humanitarian assistance, legitimate non-profit organization's activity and remittances are neither disrupted nor discouraged.

- b. FATF Public Statement on Jurisdictions under Increased Monitoring of February 21, 2025 (enclosure 2)

The FATF has identified **Algeria, Angola, Bulgaria, Burkina Faso, Cameroon, Côte d'Ivoire, Croatia, the Democratic Republic of Congo, Haiti, Kenya, Lao PDR,<sup>1</sup> Lebanon, Mali, Monaco, Mozambique, Namibia, Nepal,<sup>2</sup> Nigeria, South Africa, South Sudan, Syria, Tanzania, Venezuela, Vietnam, and Yemen** as jurisdictions that have strategic AML/CFT deficiencies. The information included in enclosure 4 must be included in your business risk assessment when conducting transactions with natural persons or entities established in these jurisdictions.

For the sake of completeness, note that **Philippines** has been removed from FATF's list of jurisdictions under increased monitoring due to Senegal's significant progress in improving its AML/CFT regime.

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<sup>1</sup> Following FATF's review, Lao PDR and Nepal 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 suspension of the membership of the Russian Federation continues to stand. Furthermore, the FATF reiterates that all jurisdictions should remain alert of current and emerging risks from the circumvention of measures taken against the Russian Federation to protect the financial system. The FATF continues to call upon all jurisdictions to remain vigilant of threats to the integrity, safety and security of the international financial system (e.g., inter alia, growing financial connectivity of Russian Federation with countries subject to FATF countermeasures, risks of proliferation financing, as well as malicious cyber activities and ransomware attacks), arising from the Russian Federation's war against Ukraine.

**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, including the actions that your institution is required to take, are outlined in enclosure 4. The relevant regulatory framework is also enclosed for your convenience (enclosure 5).

If you have any questions regarding this letter, please contact Ms. Vasilena Ivanova 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,



Centrale Bank van Aruba

Enclosures: 5

cc Head of the Financial Intelligence Unit



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**High-Risk Jurisdictions subject to a Call for Action - 21 February 2025**

# High-Risk Jurisdictions subject to a Call for Action - 21 February 2025

## Publication details

**Language**

English

**Country**

[Democratic Republic of](#)

[Korea](#)

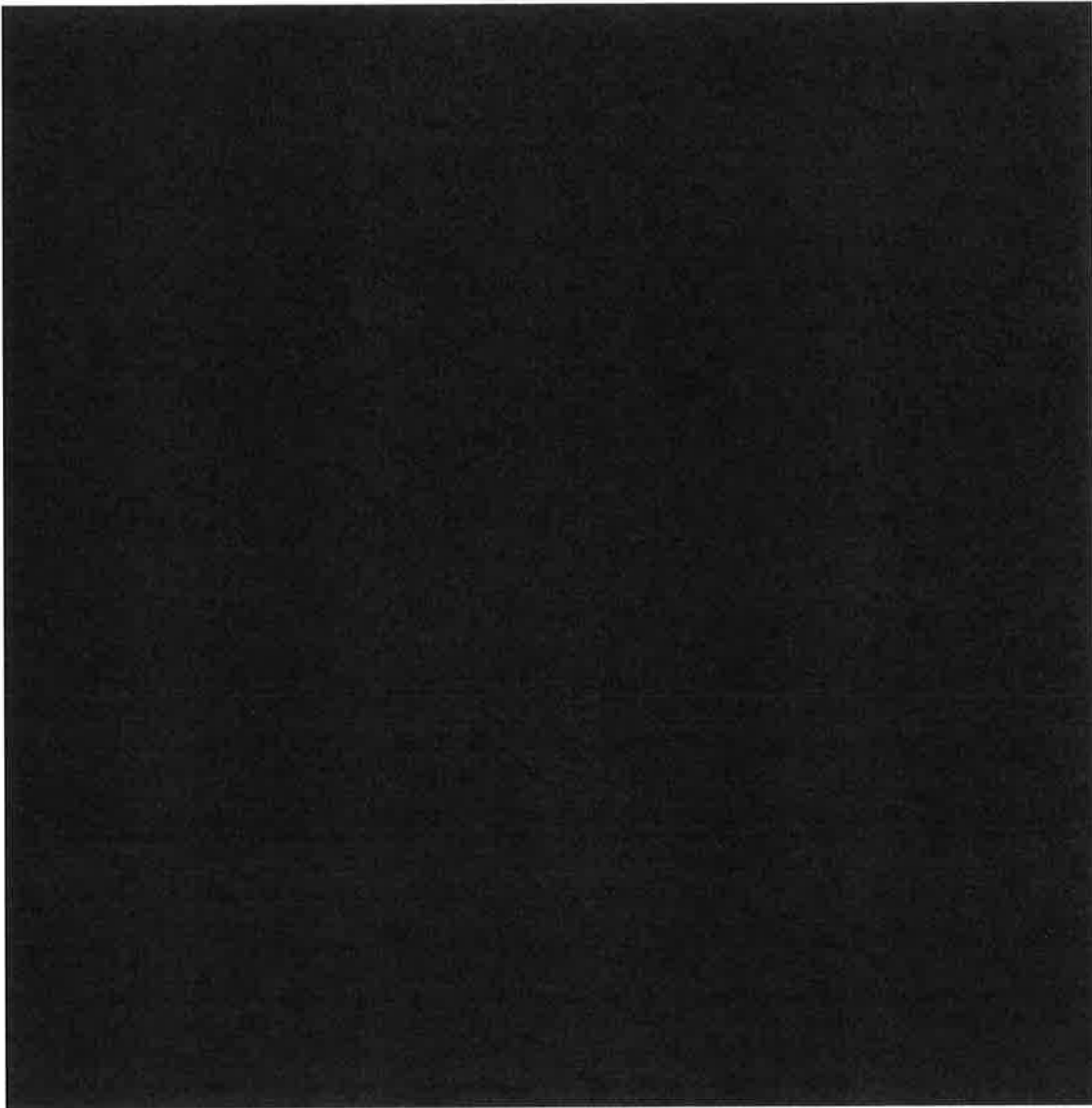
[Iran](#)

[Myanmar](#)

**Topic**

[High-risk and other](#)

[jurisdictions](#)



## **"blacklist"**

*Paris, 21 February, 2025*

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 countermeasures 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, Iran reported in January, August and December 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)***

Building upon the FATF statements over the past decade, the FATF remains concerned by the DPRK's continued failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threats posed by the DPRK's illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

The FATF has continually reiterated since 2011 the need for all countries to robustly implement the targeted financial sanctions in accordance with UNSC Resolutions and apply the following countermeasures to protect their financial systems from the money laundering, terrorist financing, and proliferation financing threat emanating from DPRK:

- Terminate correspondent relationships with DPRK banks;
- Close any subsidiaries or branches of DPRK banks in their countries; and
- Limit business relationships & financial transactions with DPRK persons.

Despite these calls, DPRK has increased connectivity with the international financial system, which raises proliferation financing (PF) risks, as the FATF noted in February 2024. This requires greater vigilance and renewed implementation and enforcement of these countermeasures against the DPRK. As set out in LINSR 2270, DPRK frequently uses front companies, shell companies, joint ventures and complex, opaque ownership structures for the purpose of violating sanctions. As such, FATF encourages its members and all countries to apply enhanced due diligence to the DPRK and its ability to facilitate transactions on its behalf.

The FATF also urges countries to adequately assess and account for the increased proliferation financing risk with the greater financial connectivity reported, particularly since the next round of assessments requires countries to adequately assess PF risks under Recommendation 1 and Immediate Outcome 11. The ability to obtain reliable and credible information to support the assessment of PF risks relating to the DPRK is hampered by the recent termination of the 1718 Committee Panel of Experts mandate. Thus, the FATF will monitor the measures to comply with DPRK targeted financial sanctions and the implementation of countermeasures against DPRK.

## ***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 countermeasures and calls on its members and urges all jurisdictions to apply effective countermeasures, 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.

[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.

## **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. The FATF requires that as part of enhanced due diligence, financial institutions should increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear unusual or suspicious. If no further progress is made by June 2025, the FATF will consider countermeasures.

While overall progress continues to be slow, Myanmar has made recent progress against one item in its action plan by addressing technical compliance deficiencies regarding targeted financial sanctions related to proliferation financing. Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) demonstrating enhanced use of financial intelligence in law enforcement authorities (LEAs) investigations, and increasing operational analysis and disseminations by the financial intelligence unit (FIU); (2) ensuring that ML is investigated/prosecuted in line with risks; (3) demonstrating investigation of transnational ML cases with international cooperation; (4) demonstrating an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value; and (5) managing seized assets to preserve the value of seized goods until confiscation.

When applying enhanced due diligence, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are neither disrupted nor discouraged. The FATF will also continue to monitor whether Myanmar's AML/CFT activities apply undue scrutiny to 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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## **Related materials**

21 Feb 2025      Jurisdictions under Increased Monitoring - 21 February 2025

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. The Philippines is no longer subject to increased monitoring by the FATF. Additional countries, Nepal and Lao PDR, are now also subject to increased monitoring.

21 Feb 2025

### Outcomes FATF Plenary, 19-21 February 2025

The second Financial Action Task Force (FATF) Plenary under the two-year Mexico Presidency of Elisa de Anda Madrazo concluded today. Delegates discussed key issues including the promotion of financial inclusion and the risk-based approach, a key priority of the FATF under its Mexican Presidency.



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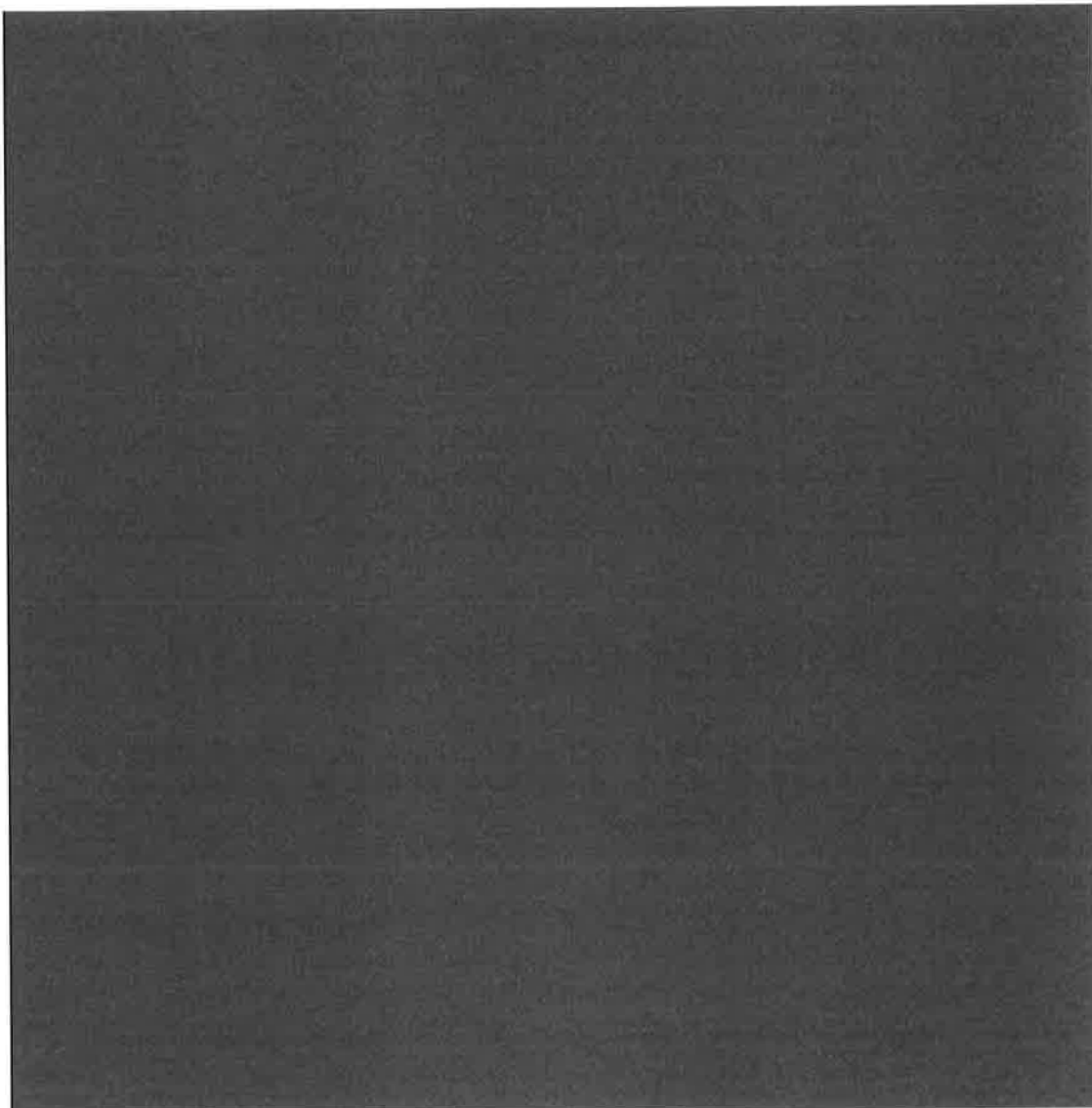
**Jurisdictions under Increased Monitoring - 21 February 2025**

# Jurisdictions under Increased Monitoring - 21 February 2025

## Publication details

Language	Country	Topic
English	<a href="#">Algeria, Angola, Bulgaria,</a> <a href="#">Burkina Faso, Cameroon,</a> <a href="#">Cote d'Ivoire, Croatia,</a> <a href="#">Democratic Republic of the</a> <a href="#">Congo, Haiti, Kenya, Lao</a> <a href="#">PDR, Lebanon, Mali,</a> <a href="#">Monaco, Mozambique,</a> <a href="#">Namibia,</a> <a href="#">Nepal, Nigeria, South Africa,</a> <a href="#">South Sudan, Syria,</a> <a href="#">Tanzania, Venezuela,</a> <a href="#">Vietnam, Yemen</a>	<a href="#">High-risk and other</a> <a href="#">monitored jurisdictions</a>

NO LONGER SUBJECT TO  
FATF INCREASED  
MONITORING  
Philippines



**"grey list"**

*Paris, 21 February 2025*

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. As countries consider actions based on their risk analysis taking into account the information below, they should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are neither disrupted nor discouraged. Countries should also consider their international obligations under United Nations Security Council Resolution 2761 (2024) on humanitarian exemptions to asset freeze measures imposed by UN sanctions regimes.

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 2024: Bulgaria; Burkina Faso, Cameroon, Croatia, Democratic Republic of Congo, Kenya, Mali, Mozambique, Namibia; Nigeria, Philippines, South Africa, South Sudan, Tanzania, Venezuela, and Vietnam. For these countries, updated statements are provided below. Algeria, Angola, Cote d'Ivoire, Haiti, Lebanon, Monaco, Syria 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 Lao PDR and Nepal.

## **ALGERIA**

### ***(Statement from October 2024)***

In October 2024, Algeria made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its mutual evaluation report (MER) in May 2023, Algeria has made progress on many of the MER's recommended actions including by more effectively pursuing money laundering investigations and prosecutions. Algeria will continue to work with FATF to implement its action plan by: (1) improving risk-based supervision, especially for higher risk sectors, including through the adoption of new procedures, risk assessments, supervision manuals and guidelines, as well as undertaking inspections and applying effective, proportionate and dissuasive sanctions; (2) developing an effective framework for basic and beneficial ownership information; (3) enhancing its regime for suspicious transaction reports; (4) establishing an effective legal and institutional framework for targeted financial sanctions for terrorism financing; and (5) implementing a risk-based approach to oversight of non-profit organisations, without disrupting or discouraging legitimate activity.

## **ANGOLA**

***(Statement from October 2024)***

In October 2024, Angola 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 June 2023, Angola has made progress on some of the MER's recommended actions including enhancing national cooperation and coordination, international cooperation and the use of financial intelligence by competent authorities. Angola will continue to work with the FATF to implement its FATF action plan by: (1) enhancing its understanding of ML/TF risks; (2) improving risk-based supervision of non-financial banking entities and DNFBPs; (3) ensuring competent authorities have adequate, accurate and timely access to beneficial ownership information and that breaches to obligations are adequately addressed; (4) demonstrating an increase in ML investigations and prosecutions; (5) demonstrating the ability to identify, investigate and prosecute TF; and (6) demonstrating an effective process to implement targeted financial sanctions without delay.

**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 ensuring that the beneficial ownership information held in its Register is accurate and up-to-date and by identifying the subset of non-profit organisations (NPOs) most vulnerable to TF abuse. Bulgaria should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) addressing the remaining technical compliance deficiencies; (2) improving investigations and prosecutions of different types of money laundering in line with risks, including high-scale corruption and organised crime; (3) ensuring the ability to conduct parallel financial investigations in all terrorism investigations; (4) addressing gaps in the PF TFS frameworks; and (5) demonstrating initial implementation of risk-based monitoring of NPOs to prevent abuse for TF purposes.

## **BURKINA FASO**

In February 2021, 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 should continue to work on implementing its action plan to address its remaining strategic deficiency, by implementing an effective targeted financial sanctions regime related to TF and PF.

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 deficiency as soon as possible as all deadlines expired in December 2022.

## **CAMEROON**

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. Cameroon has taken steps to improve its AML/CFT regime by aligning AML/CFT national strategies and policies with the findings of the NRA; demonstrating AML/CFT cooperation and coordination between competent authorities; improving risk-based prioritisation of incoming international cooperation, and establishing a regime for violations of transparency obligations applicable to legal persons. Cameroon should continue working on implementing its action plan to address its strategic deficiencies, including by: (1) 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; (2) maintaining and ensuring timely access by competent authorities to adequate and up to date beneficial ownership information on legal persons; (3) 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; (4) demonstrating that authorities are

able to conduct a range of ML investigations, and prosecute ML in line with risks; (5) 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; (6) demonstrating that TF investigations and prosecutions are pursued in line with risk; and (7) demonstrating effective implementation of TF and PF TFS regimes and implementing a risk-based approach to NPOs without disrupting legitimate NPO activities.

## **COTE D'IVOIRE**

### ***(Statement from October 2024)***

In October 2024, Cote d'Ivoire made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in June 2023, Cote d'Ivoire has made significant progress on many of the MER's recommended actions including by strengthening its legal AML/CFT framework through several important legislative and regulatory amendments, updating ML/TF analysis by drafting typology reports on the highest risk predicate offences, strengthening the human and technical resources of the FILI and prosecutors, and operationalising the agency in charge of the management of assets seized and confiscated. Cote d'Ivoire will continue to work with the FATF to implement its FATF action plan by: (1) enhancing its use of international cooperation in ML/TF investigations and prosecutions; (2) improving the implementation of risk-based supervision of financial institutions and designated non-financial businesses and professions and conducting outreach campaigns to improve compliance; (3) improving the verification and access of basic and beneficial ownership information of legal persons and applying sanctions in case of violation; (4) enhancing the use of financial intelligence by law enforcement authorities and improving disseminations by the FIU; (5) demonstrating a sustained increase in the number of ML and TF investigations and prosecutions of different types in line with the country's risk profile; and (6) strengthening the targeted financial sanctions framework.

## **CROATIA**

In June 2023, Croatia made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime. At its February 2025 Plenary, the FATF made the initial determination that Croatia has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future.

Croatia has made the following key reforms including: (1) completing the national risk assessment, including assessing the ML/TF risk associated with the misuse of legal persons and legal arrangements and the use of cash in the real estate sector; (2) increasing FIU human resources and improving analytical capabilities; (3) continuing to improve LEA detection, investigation and prosecution of different types of ML, including ML involving foreign predicate offences and the misuse of legal persons; (4) demonstrating a sustained increase in the application of provisional measures in securing direct/indirect proceeds, as well as foreign proceeds subject to confiscation; (5) demonstrating the ability to systematically detect and where relevant investigate TF in line with its risk profile; (6) establishing a national framework for the implementation of UN TFS measures and providing guidance and conducting outreach and training to reporting entities; and (7) 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.

## **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 establishing a mechanism to promote interagency coordination and cooperation on both ML and TF at the operational level. The DRC should continue to work to implement its FATF action plan to address its strategic deficiencies, including by: (1)

developing and implementing a risk-based supervision plan; (2) building the capacity of the Fill to conduct operational and strategic analysis; (3) strengthening the capabilities of authorities involved in the investigation and prosecution of ML and TF; and (4) demonstrating effective implementation of TF and PF-related TFS.

## **HAITI**

### **(Statement from June 2024)**

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 improving the Fill's access to and use of a wide range of information in its financial intelligence products through the adoption of a new organic law. 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 the FIU has adequate resources and processes to produce and disseminate operational and strategic analysis to competent authorities for combatting ML and TF; (4) demonstrating authorities are identifying, investigating and prosecuting ML cases in a manner consistent with Haiti's risk profile; (5) demonstrating an increase of identification, tracing and recovery of proceeds of crimes; (6) addressing the technical deficiencies in its targeted financial sanctions regime; and (7) 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 are expired and work remains. The FATF encourages Haiti to continue to implement its action plan to address the above-mentioned strategic deficiencies.

## **KENYA**

Since February 2024, when Kenya made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime, Kenya has taken steps towards improving its AML/CFT regime, including by completing a TF risk assessment and by bringing its TFS framework related to proliferation financing into compliance. Kenya should continue to work to implement its FATF action plan to address its strategic deficiencies, including by: (1) 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 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.

## **LAO PDR**

In February 2025, Lao PDR 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 August 2023, Lao PDR has made progress on some of the MER's recommended actions including increasing FIU resources and eliminating bearer shares. Lao PDR will continue to work with the FATF to implement its FATF action plan by: (1) enhancing its understanding of ML/TF risks; (2) improving risk-

based supervision of casinos, banks and reporting entities in SEZs, including fit and proper checks; (3) enhancing the quality and quantity of financial intelligence analysis and spontaneous dissemination to law enforcement agencies; (4) ensuring law enforcement agencies receive training and guidance on money laundering; (5) demonstrating an increase in ML investigations and prosecutions in line with Lao PDR's risk profile, with an emphasis on crimes with a transnational element that require international cooperation; (6) developing a national confiscation policy consistent with its ML/TF risks; (7) demonstrating that relevant competent authorities are taking measures to identify, seize and, where applicable, confiscate proceeds and instrumentalities of crime in line with the risk profile; (8) monitoring FIs' and DNFBPs' compliance with TFS PF obligations; and (9) addressing technical compliance deficiencies in Recommendations 5, 6, 7 and 10.

## **LEBANON**

### ***(Statement from October 2024)***

In October 2024, Lebanon made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime in spite of the challenging social, economic and security situation within the country. Since the adoption of its MER in May 2023, Lebanon has made progress on several of the MER's recommended actions and has applied measures to its financial sector, including through issuing a circular for banks and financial institutions to establish a department dedicated to combating bribery and corruption related crimes and guidance on politically exposed persons, while taking measures against unlicensed financial activity.

Lebanon will continue to work with the FATF to implement its FATF action plan by: (1) conducting assessments of specific terrorist financing and money laundering risks identified in the MER and ensuring that policies and measures are in place to mitigate these risks; (2) enhancing mechanisms to ensure the timely and effective execution of requests for mutual legal assistance, extradition and asset recovery; (3) enhancing DNFBPs' risk understanding and applying effective, proportionate and dissuasive sanctions for breaches of AML/CFT obligations; (4) ensuring beneficial ownership information is up-to-date and that there are adequate sanctions and risk-

mitigating in place for legal persons; (5) enhancing competent authorities' use of products of the Fill and financial intelligence; (6) demonstrating a sustained increase in investigations, prosecutions and court rulings for types of ML in line with the risk; (7) improving its approach to asset recovery and identifying and seizing illicit cross-border movements of currency and precious metals and stones; (8) pursuing TF investigations and sharing information with foreign partners related to investigations of TF as called for in the MER; (9) enhancing the implementation of targeted financial sanctions without delay, particularly at DNFBPs and certain non-banking financial institutions; and (10) undertaking targeted and risk-based monitoring of high-risk NPOs, without disrupting or discouraging legitimate NPO activities.

## **MALI**

In October 2021, Mali made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. At its February 2025 plenary, the FATF made the initial determination that Mali has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future.

Mali has made key reforms by: (1) disseminating the results of the NRA to all relevant stakeholders including by conducting awareness raising activities with the highest risk sectors; (2) developing a risk based approach for the AML/CFT supervision of all FIs and higher risk DNFBPs and demonstrating effective, proportionate and dissuasive sanctions for noncompliance; (3) conducting a comprehensive assessment of ML/TF risks associated with all types of legal persons; (4) increasing the capacity of the FIU and the LEAs and enhancing their cooperation on the use of financial intelligence; (5) ensuring relevant competent authorities are involved in investigation and prosecution of ML; (6) strengthening the capacities of relevant authorities responsible for investigation and prosecution of TF cases; (7) establishing a legal framework and procedures to implement targeted financial sanctions; and (8) implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

## **MONACO**

### **(Statement from June 2024)**

In June 2024, Monaco made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its mutual evaluation report (MER) in December 2022, Monaco has made significant progress on several of the MER's recommended actions including by establishing a new combined financial intelligence unit (FIU) and AML/CFT supervisor, strengthening its approach to detecting and investigating terrorism financing, implementing targeted financial sanctions and risk-based supervision of non-profit organisations. Monaco will continue to work with FATF to implement its action plan by: (1) strengthening the understanding of risk in relation to money laundering and income tax fraud committed abroad; (2) demonstrating a sustained increase in outbound requests to identify and seek the seizure of criminal assets abroad (3) enhancing the application of sanctions for AML/CFT breaches and breaches of basic and beneficial ownership requirements; (4) completing its resourcing program for its FIU and strengthen the quality and timeliness of STR reporting; (5) enhancing judicial efficiency, including through increasing resources of investigative judges and prosecutors and the application of effective, dissuasive and proportionate sanctions for money laundering; and (6) increasing the seizure of property suspected to derive from criminal activities.

## **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 implementing a risk-based supervision plan along with effective and proportionate sanctions, increasing financial intelligence sent to authorities and demonstrating the ability to identify TF cases. Mozambique should continue to work

on implementing its action plan to address its strategic deficiencies, including by: (1) carrying out a risk assessment for NPOs in line with the FATF Standards and using it as a basis to develop an outreach plan.

## **NAMIBIA**

Since February 2024, when Namibia made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime, Namibia has taken steps towards improving its AML/CFT regime, including by strengthening FIU resources dedicated to both its supervision responsibilities and operational and strategic analysis, and increasing the LEAs' financial and human resources dedicated to TF. Namibia should continue working on implementing its FATF action plan to address strategic deficiencies, including by: (1) strengthening its AML/CFT risk based supervision through 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 beneficial ownership obligations; (4) improving the cooperation between the FIU and LEAs to enhance the use and integration of financial intelligence in investigations; (5) enhancing the operational capabilities of authorities involved in ML investigations and prosecutions by providing them with adequate resources and targeted trainings; (6) demonstrating the LEAs' capabilities to effectively investigate and prosecute ML/TF cases.

## **NEPAL**

In February 2025, Nepal 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 August 2023, Nepal has made progress on some of the MER's recommended actions including streamlining MLA requests and increasing the capabilities of the Fill. Nepal will continue to work with the FATF to implement its FATF action plan by: (1) improving its understanding of key ML/TF risks; (2) improving risk-based supervision of commercial banks, higher risk cooperatives, casinos, DPMS and real estate sector; (3) demonstrating identification and sanctioning of materially significant illegal MVTs/hundi providers, without hindering financial inclusion; (4) increasing capacity and coordination of competent authorities to conduct ML investigations; (5) demonstrating an increase in ML investigations and prosecutions; (6) demonstrating measures to identify, trace, restrain, seize and, where applicable, confiscate proceeds and instrumentalities of crime in line with the risk profile; (7) addressing technical compliance deficiencies in its targeted financial sanctions regime for TF and PF.

## **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 improving AML/CFT risk-based supervision of FIs and DNFBPs, ensuring that competent authorities have timely access to accurate and up-to-date beneficial ownership information on legal persons and demonstrating a sustained increase in ML and TF investigations and prosecutions in line with the country's risk profile.. Nigeria should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) enhancing implementation of preventive measures for high-risk sectors; and (2) proactively detecting violations of currency declaration obligations and applying appropriate sanctions.

## **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 demonstrating that all supervisors apply effective, proportionate, and effective sanctions, ensuring 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 beneficial ownership obligations. South Africa should continue to work on implementing its action plan to address its remaining strategic deficiency on demonstrating 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.

## **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 finalising its comprehensive review of the AML/CFT Act (2012) to comply with the FATF Standards. South Sudan should continue to work to implement its action plan, including by: ; (1) fully implementing the 1988 Vienna Convention, the 2000 Palermo Convention, and the 1999 Terrorist Financing Convention; (2) ensuring that competent authorities are suitably structured and capacitated to implement a risk-based approach to AML/CFT supervision for financial institutions; (3) developing a comprehensive legal framework to collect and verify the accuracy of beneficial ownership information for legal persons; (4) finalising the operationalisation of a fully functioning and independent FIU; (5) 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 (6) 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**

In October 2022, Tanzania made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. At its February 2025 plenary, the FATF made the initial determination that Tanzania has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future.

Tanzania has made the following key reforms: (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 begin implementing 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.

## **VENEZUELA**

In June 2024, Venezuela made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. Venezuela should continue working on implementing its FATF action plan to address its strategic deficiencies by: (1) strengthening its understanding of ML/TF risks, including in relation to TF and legal persons and arrangements; (2) ensuring the full range of financial institutions and DNFBPs are subject to AML/CFT measures and risk-based supervision; (3) ensuring adequate, accurate and up-to-date beneficial ownership information is accessible in a timely manner; (4) enhancing the resources of the FIU and improving competent authorities' use of financial intelligence; (5) enhancing the investigation and prosecution of ML and TF; (6) ensuring measures to prevent the abuse of NPOs for TF are targeted, proportionate, and risk-based and do not disrupt or discourage legitimate activities within the NPO sector; and (7) implementing TF- and PF-related targeted financial sanctions without delay

## **VIETNAM**

Since June 2023, when Vietnam made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime, Vietnam has made limited progress. The FATF strongly encourages Vietnam to coordinate internally to demonstrate progress on its action plan to address its strategic deficiencies, including 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; and (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.

## **JURISDICTION NO LONGER SUBJECT TO INCREASED MONITORING BY THE FATF**

### **PHILIPPINES**

The FATF welcomes the Philippines' significant progress in improving its AML/CFT regime. The Philippines 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 2021 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) implementing the new registration requirements for MVTs and applying sanctions to unregistered and illegal remittance operators; (4) enhancing and streamlining LEA access to BO information and taking steps to ensure that BO information is accurate and up-to-date; (5) demonstrating an increase in the use of financial intelligence and an increase in ML investigations and prosecutions in line with risk; (6) demonstrating an increase in the identification, investigation and prosecution of TF cases; (7) demonstrating that appropriate measures are taken with respect to the NPO sector (including unregistered NPOs) without disrupting legitimate NPO activity; (8) enhancing the effectiveness of the targeted financial sanctions framework for both TF and PF; and (9) applying cross-border measures in all main international sea/airports, in line with the risk.

The Philippines should continue to work with APG to sustain its improvements in its AML/CFT system. The FATF encourages the Philippines to continue its work in ensuring that its CFT measures are appropriately applied, particularly the identification and prosecution of TF cases, and are neither discouraging nor disrupting legitimate NPO activity.

## Related materials

21 Feb 2025 [Outcomes FATF Plenary, 19-21 February 2025](#)

The second Financial Action Task Force (FATF) Plenary under the two-year Mexico Presidency of Elisa de Anda Madrazo concluded today. Delegates discussed key issues including the promotion of financial inclusion and the risk-based approach, a key priority of the FATF under its Mexican Presidency.

21 Feb 2025 [High-Risk Jurisdictions subject to a Call for Action - 21 February 2025](#)

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 countermeasures 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 21, 2025)**

The FATF Public Statement on High-Risk Jurisdictions subject to a Call for Action dated February 21, 2025 (<https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-february-2025.html>), the FATF Public Statement on Jurisdictions under Increased Monitoring dated February 21, 2025 (<https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-february-2025.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) where 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**

The **DPRK** falls into this category. The FATF reaffirms its call on its members and urges all jurisdictions to robustly implement the targeted financial sanctions in accordance with the United Nations Security Council (UNSC) Resolutions and apply countermeasures to protect their financial systems from money laundering, terrorist financing, and proliferation financing threat emanating from DPRK. Jurisdictions are called upon to take necessary countermeasures by closing any existing branches or subsidiaries of DPRK banks within their territories, terminating correspondent relations with DPRK banks, and limiting business relations and financial transactions with DPRK persons. Despite these FATF calls, DPRK has increased its connectivity with the international financial system, which raises proliferation financing risks. Given that DPRK frequently utilizes front and shell companies, joint ventures, as well as complex, opaque ownership structures for the purpose of violating sanctions, FATF calls on its members and all countries to apply enhanced due diligence to the DPRK and its ability to facilitate transactions on its behalf.

Furthermore, the FATF also urges countries to adequately assess and account for the increased proliferation financing risk with the greater financial connectivity reported. The FATF will monitor the measures to comply with DPRK targeted financial sanctions and the implementation of countermeasures against DPRK.

#### **Category Two**

**Iran** falls into this category. The FATF calls upon its member and urges 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 institutions, and require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran. Given Iran's failure to enact the Palermo and Terrorist Financial Conventions in line with the FATF Standards, the FATF calls on its members and urges all jurisdictions to apply effective countermeasures, consistent with FATF Recommendation 19. The FATF remains concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system.

#### **Category Three**

**Myanmar** falls into this category. Taking into consideration Myanmar's continued lack of progress and the majority of its action items still not addressed, the FATF calls on members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from the jurisdiction by increasing the degree and nature of monitoring of the business relationship in order to determine whether those transactions or activities appear unusual or suspicious. When applying enhanced due diligence measures, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are neither disrupted nor discouraged.

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

### Category Four

The following countries fall into this category: **Algeria, Angola, Bulgaria, Burkina Faso, Cameroon, Côte d'Ivoire, Croatia, the Democratic Republic of Congo, Haiti, Kenya, Lao PDR, Lebanon, Mali, Monaco, Mozambique, Namibia, Nepal, Nigeria, South Africa, South Sudan, Syria, Tanzania, Venezuela, Vietnam, and Yemen.** This FATF Public Statement outlines the specific areas of strategic deficiencies in the mentioned countries' AML/CFT regimes, and requests member jurisdictions to consider the information in the document.

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

### Category Five

In light of the Russian Federation's unprovoked war against Ukraine, the FATF continues to call upon all jurisdictions to remain vigilant of threats to the integrity, safety and security of the international financial system (e.g., inter alia, growing financial connectivity of Russian Federation with countries subject to FATF countermeasures, risks of proliferation financing, as well as malicious cyber activities and ransomware attacks), arising from the Russian Federation's war against Ukraine. Furthermore, all jurisdictions should be alert of current and emerging risks from the circumvention of measures taken against the Russian Federation in order to protect the international financial system.

## **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. The CBA requests that senior management emphasize the importance of this communication to its compliance officer and inform its management team of the risks associated with conducting 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 request 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 its supervisory (on-site/off-site) 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 March 24, 2025.**
- 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 request 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 March 24, 2025. It is not necessary to send the results of your findings to the CBA. However, supervisory (on-site/off-site) examinations conducted by the CBA are likely to verify whether 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 April 25, 2025.**
- 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 request 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 25, 2025. It is not necessary to send the results of your findings to the CBA. However, supervisory (on-site/off-site) examinations conducted by the CBA are likely to verify whether 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 March 24, 2025.**
- 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 request 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 March 24, 2025. It is not necessary to send the results of your findings to the CBA. However, supervisory (on-site/off-site) examinations conducted by the CBA are likely to verify whether 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>3</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>3</sup> FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation* (“FATF Recommendations”), Paris, France (lastly updated November 2023), available at: <https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf>.

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 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.