NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange
Circular No. : NCDEX/COMPLIANCE-021/2023
Date : March 01, 2023
Subject : FATF Public statement on jurisdictions on call for action and increased monitoring - February 2023 Plenary

As part of the on-going efforts to identify and work with jurisdictions with strategic AML/CFT deficiencies, the Financial Action Task Force (FATF) Plenary has released Public Statements after its February 2023 Plenary with regard to 'High risk jurisdictions subject to a call for action' and 'Jurisdiction under increased monitoring'.

The Securities and Exchange Board of India (SEBI) vide its communication dated March 01, 2023 has shared a link to the Public Statements February 2023 issued by the FATF. A copy of the same is attached herewith as Annexure for information.

The above Publications of FATF are also available on FATF URL:

1. https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-february-2023.html
2. https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-February-2023.html

It is highlighted that FATF now also identifies Nigeria and South Africa as new jurisdictions subject to increased monitoring and it may be observed that Cambodia and Morocco are no longer subject to increased monitoring.

It is also advised that the said FATF Public Statements are updated periodically and are available in the Public Domain (FATF URL: https://www.fatf-gafi.org) under 'Publications' tab, wherein the same may be retrieved from time to time.

Members are advised to take note of the above and ensure compliance with the same.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Smita Chaudhary
Vice President - Compliance

For further information/ clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
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Jurisdictions under Increased Monitoring - 24 February 2023

Publication details

Language	Country	Topic
English	Albania | Barbados | Burkina Faso | Cambodia | Cayman Islands | Democratic Republic of the Congo | Gibraltar | Haiti | Jamaica | Jordan | Mali | Morocco | Mozambique | Nigeria | Panama | Philippines | Senegal | South Africa | South Sudan | Syria | Tanzania | Türkiye | Uganda | United Arab Emirates | Yemen	High-risk and other monitored jurisdictions

Jurisdictions No Longer Subject to Increased Monitoring by the FATF

- Cambodia
- Morocco

Outcomes FATF Plenary, 22-24 February 2023

High-Risk Jurisdictions subject to a Call for Action – 24 February 2023

Jurisdictions under Increased Monitoring - 24 February 2023

Paris, 24 February 2023 - 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.

Since the start of the COVID-19 pandemic, the FATF has provided 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 2022: Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Gibraltar, Haiti, Jamaica, Jordan, Mali, Morocco, Myanmar, Panama, Philippines, Senegal, South Sudan, Türkiye, UAE, and Uganda. For these countries, updated statements are provided below. The Democratic Republic of the Congo, Mozambique, and Tanzania chose to defer reporting; thus, the statements issued in October 2022 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 Nigeria and South Africa.

ALBANIA

Since February 2020, when Albania made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime, Albania has taken steps towards improving its AML/CFT regime, including by demonstrating a meaningful increase in the number of money laundering cases indicted, particularly those stemming from foreign offences where the criminal proceeds were laundered in Albania. The FATF has made the initial determination that Albania has substantially completed its action plan and appreciates Albania's work to address its strategic deficiencies. However, the FATF has not yet decided to authorise an on-site visit to the country to verify the implementation of Albania's AML/CFT reforms. This is because the FATF remains concerned that Albania's apparent plans to establish a Voluntary Tax Compliance (VTC) programme do not comply with the FATF's principles for managing the AML/CFT implications of VTC programmes or FATF's best practices in this area. Albania should ensure that any amnesty provisions included in the VTC law do not present an opportunity for individuals or legal persons to legalise or repatriate assets of unlawful origin and that any criminal amnesty only relates to the previous incorrect or non-reporting of taxable income. Albania

should revise its draft VTC law and work with MONEYVAL to ensure that any VTC law passed or implemented has adequate safeguards to prevent the potential for abuse of the programme for money laundering purposes. Alternatively, it could consider abandoning the planned VTC programme altogether.

BARBADOS

Since February 2020, when Barbados made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, Barbados has taken steps towards improving its AML/CFT regime, including by, taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and by demonstrating that ML investigations and prosecutions are in line with the country's risk profile. Barbados should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) ensuring that accurate and up-to-date beneficial ownership information is available on a timely basis; (2) further pursuing repatriation or sharing of confiscated assets with other countries.

The FATF expresses concern that Barbados failed to complete its action plan, which fully expired in April 2022. The FATF strongly urges Barbados to swiftly demonstrate significant progress in completing its action plan by June 2023 or the FATF will consider next steps if there is insufficient progress.

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 ML investigations and the use of international cooperation 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) updating its understanding of ML/TF risks, including through the revision of the national risk assessment in line with the sectoral priorities identified in its national strategy; (2) strengthening of resource capacities of all AML/CFT supervisory authorities and implementing risk based supervision of FIs and DNFBPs; (3) maintaining comprehensive and updated basic and beneficial ownership information of legal persons and strengthening the system of sanctions for violations of transparency obligations; (4) increasing the diversity of suspicious transactions reporting; (5) establishing procedures for effective implementation of declaration of cross-border declaration of currencies and bearer negotiable instruments; (6) enhancing cooperation between LEAs and prosecutorial authorities combatting TF and conducting TF investigations and prosecutions in line with its risk profile; and (7) implementing an effective targeted financial sanctions 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 now expired and work remains. The FATF encourages Burkina Faso to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible.

THE CAYMAN ISLANDS

Since February 2021, when the Cayman Islands made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, the Cayman Islands has taken steps towards improving its AML/CFT regime, including by advancing ML prosecutions into convictions and demonstrating progress on complex ML cases with a foreign predicate. However, the Cayman Islands should continue to work on implementing its action plan to address its remaining strategic deficiencies, by demonstrating that they are prosecuting all types of money laundering cases in line with the jurisdiction's risk profile and that such prosecutions are resulting in the application of dissuasive, effective, and proportionate sanctions.

The FATF expresses concern that the Cayman Islands failed to complete its action plan, which fully expired in May 2022. The FATF strongly urges the Cayman Islands to swiftly demonstrate significant progress in completing its action plan by June 2023 or the FATF will consider next steps if there is insufficient progress.

THE DEMOCRATIC REPUBLIC OF THE CONGO

(Statement from October 2022)

In October 2022, the DRC 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 2020, the DRC has made progress on some of the MER's recommended actions including making confiscation of proceeds of crime a policy priority. The DRC will work to implement its FATF action plan by: (1) finalising the NRA on ML and TF and adopting an AML/CFT national strategy; (2) designating supervisory authorities for all DNFBP sectors, and developing and implementing a risk-based supervision plan; (3) adequately resourcing the FIU, and build its capacity 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.

GIBRALTAR

Since June 2022, when Gibraltar made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime, Gibraltar has taken steps to do so, including by demonstrating that the supervisors for trust and company service providers, lawyers, gaming businesses, real estate agents, and other non-bank entities are now using a range of effective, proportionate, and dissuasive sanctions for AML/CFT breaches, specifically by taking more enforcement actions, imposing financial penalties, and publishing the results of cases, where appropriate. Gibraltar should continue to work on

implementing its action plan to address its strategic deficiencies, including by showing that it is able to pursue more final confiscation judgments commensurate with the risk and context of Gibraltar.

HAITI

In June 2021, Haiti made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. 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) facilitating information sharing with relevant foreign counterparts; (3) addressing the technical deficiencies in its legal and regulatory framework that impede the implementation of AML/CFT preventive measures and implementing risk-based AML/CFT supervision for all financial institutions and DNFBPs deemed to constitute a higher ML/TF risk; (4) ensuring basic and beneficial ownership information are maintained and accessible in a timely manner; (5) ensuring a better use of financial intelligence and other relevant information by competent authorities for combatting ML and TF; (6) addressing the technical deficiencies in its ML offence and demonstrating authorities are identifying, investigating and prosecuting ML cases in a manner consistent with Haiti's risk profile; (7) demonstrating an increase of identification, tracing and recovery of proceeds of crimes; (8) addressing the technical deficiencies in its TF offence and targeted financial sanctions regime; and (9) conducting appropriate risk-based monitoring of NPOs vulnerable to TF abuse without disrupting or discouraging legitimate NPO activities.

JAMAICA

Since February 2020, when Jamaica made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, Jamaica has taken steps towards improving its AML/CFT regime, including by introducing its Charities regulations and bringing the microcredit sector under AML/CFT supervision. Jamaica should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) including all DNFBPs in the AML/CFT regime and ensuring adequate, risk-based supervision in all sectors; and (2) ensuring that BO definition is in line with the FATF Standards, 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 to competent authorities.

The FATF again expresses concern that Jamaica failed to complete its action plan, which fully expired in January 2022. The FATF strongly urges Jamaica to swiftly demonstrate significant progress in completing its action plan by June 2023 or the FATF will consider next steps, which could include calling on its members and urging all jurisdictions to apply enhanced due diligence to business relations and transactions with Jamaica.

JORDAN

Since October 2021, when Jordan made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. Jordan has taken positive steps towards improving its AML/CFT regime, including by conducting inspections of reporting entities including FIs and DNFBPs, pursuing money laundering investigations and prosecutions for predicate offences in line with its risk profile, and conducting outreach on TFS obligations. Jordan should continue to work on implementing its action plan to

address its strategic deficiencies, including by: (1) completing and disseminating the ML/TF risk assessments of legal persons and virtual assets; (2) applying effective, proportionate, and dissuasive sanctions for noncompliance; (3) implementing a sanctions mechanism for violations of the transparency obligations related to legal persons and arrangements; (4) applying effective, proportionate, and dissuasive sanctions in ML cases; and (5) demonstrating that TFS deficiencies are rectified.

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. Mali has taken steps towards improving its AML/CFT regime, including by conducting AML/CFT trainings for FIs and DNFBPs and enhancing the FIU and LEAs cooperation mechanisms on the use of financial intelligence. Mali should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) implementing the national strategic AML/CFT action plan in line with the NRA; (2) developing and starting to implement a risk based approach for the AML/CFT supervision of all FIs and higher risk DNFBPs and demonstrating effective, proportionate and dissuasive sanctions for non-compliance; (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) conducting parallel financial investigation; (6) strengthening the capacities of relevant authorities responsible for investigation and prosecution of TF cases; (7) strengthening the legal framework and procedures to implement TFS related to TF and PF; and (8)

implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

MOZAMBIQUE

(Statement from October 2022)

In October 2022, Mozambique 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 April 2021, Mozambique has made progress on some of the MER's recommended actions to improve its system including by finalising its NRA and strengthening its asset confiscation efforts. Mozambique will work to implement its FATF action plan by: (1) ensuring cooperation and coordination amongst relevant authorities to implement risk-based AML/CFT strategies and policies; (2) conducting training for all LEAs on mutual legal assistance to enhance the gathering of evidence or seizure/confiscation of proceeds of crime; (3) providing adequate financial and human resources to supervisors, developing and implementing a risk-based supervision plan; (4) providing adequate resources to the authorities to commence the collection of adequate, accurate and up-to-date beneficial ownership information of legal persons; (5) increasing the human resources of the FIU as well as increasing financial intelligence sent to authorities; (6) demonstrating LEAs capability to effectively investigate ML/TF cases using financial intelligence; (7) conducting a comprehensive TF Risk Assessment and begin implementing a comprehensive national CFT strategy; (8) increasing awareness on TF and PF-related TFS; and (9) 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.

NIGERIA

In February 2023, Nigeria 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 August 2021, Nigeria has made progress on some of the MER's recommended actions to improve its system including by improving its AML/CFT legislative framework, updating its assessment of inherent ML/TF/PF risks and strengthened its implementation of targeted financial sanctions. Nigeria will work to implement its FATF action plan by: (1) completing its residual ML/TF risk assessment and updating its national AML/CFT strategy to ensure alignment with other national strategies relevant to high-risk predicate offences; (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 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 and maintaining comprehensive data on frozen, seized, confiscated, and disposed assets; (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) conducting risk-based and targeted outreach to NPOs at risk of TF abuse and implementing risk-based monitoring for the subset of NPOs at risk of TF abuse without disrupting or discouraging legitimate NPO activities.

PANAMA

Since June 2019, when Panama made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime, Panama has taken important steps towards improving its AML/CFT regime, including by demonstrating its ability to investigate and prosecute ML involving foreign tax crimes. However, Panama should continue to take action to fully address remaining measures in its action plan as all timelines have already expired in January 2021. Panama should therefore continue to work on implementing its action plan to address its strategic deficiencies, by ensuring adequate verification, of up-to-date beneficial ownership information by obliged entities and timely access by competent authorities.

The FATF again expresses concern that Panama failed to complete its action plan, which fully expired in January 2021. The FATF strongly urges Panama to swiftly complete its action plan by June 2023 or the FATF will consider calling on its members and urging all jurisdictions to apply enhanced due diligence to business relations and transactions with Panama.

PHILIPPINES

In June 2021, 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 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 the use of financial intelligence and an increase in ML investigations and prosecutions in line with risk; (5) demonstrating an increase in the identification, investigation and prosecution of TF cases; and (6) enhancing the effectiveness of the targeted financial sanctions framework for both TF and PF by demonstrating that DNFBPs understand their obligations.

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

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 established a database to collect

statistics and data on ML/TF investigations and prosecutions and enhanced the framework for coordination and conduct of TF investigations. Senegal should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) improving compliance by detecting AML/CFT violations and imposing effective, proportionate and dissuasive sanctions against non-compliant DNFBPs; (2) updating and maintaining comprehensive beneficial ownership information on legal persons and arrangements and strengthening the system of sanctions for violations of transparency obligations; (3) enhancing capacity and support for LEAs and prosecutorial authorities involved in combatting TF in line with the 2019 TF National Strategy; and (4) implementing an effective TFS regime related to TF and PF as well as risk-based monitoring and supervision of NPOs.

The FATF notes Senegal's continued progress across its action plan, however all deadlines have now 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.

SOUTH AFRICA

In February 2023, South Africa 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 2021, South Africa has made significant progress on many of the MER's recommended actions to improve its system including by developing national AML/CFT policies to address higher risks and newly amending the legal

framework for TF and TFS, among others. South Africa will work to implement its FATF action plan by: (1) demonstrating a sustained increase in outbound 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; (4) demonstrating a sustained increase in law enforcement agencies' requests for financial intelligence from the FIC for its ML/TF investigations; (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

In June 2021, South Sudan made a high-level political commitment to work with the FATF to strengthen

the effectiveness of its AML/CFT regime. South Sudan should continue to work to implement its action plan, including by: (1) conducting a comprehensive review of the AML/CFT Act (2012), with the support of international partners, including technical assistance, to comply with the FATF Standards; (2) becoming a party to and 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 FIU; (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. The FATF again encourages South Sudan to continue to demonstrate its 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

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

(Statement from October 2022)

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. Since the adoption of its MER in April 2021, Tanzania has made progress on some of the MER's recommended actions to improve its system including by developing legal framework for TF and TFS and disseminating FIU strategic analysis. Tanzania will work to implement its FATF action plan 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 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.

TÜRKIYE

Since October 2021, when Türkiye made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime, Türkiye has taken further steps towards improving its AML/CFT regime, including by issuing regulations regarding politically exposed persons and guidance to the private sector on detecting terrorist financing, as well as increasing the FIU's proactive dissemination of financial intelligence. Türkiye should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) increasing on-site inspections by supervisors across all sectors, commensurate with risk; (2) enhancing the use of financial intelligence to support ML investigations; (3) undertaking more complex ML investigations and prosecutions; (4) using statistics on confiscation and terrorist financing to update risk assessments and inform policy; (5) conducting more financial investigations in terrorism cases, prioritising TF investigations and prosecutions related to UN-designated groups, and ensuring TF investigations are extended to identify financing and support

networks; (6) concerning targeted financial sanctions, pursuing outgoing requests to third-countries related to UN-designated groups, in line with Türkiye's risk profile; and (7) fully implementing a risk-based approach for the supervision of non-profit organisations to prevent their abuse for terrorist financing, including by taking steps to ensure that audits conducted are risk-based, that supervision does not disrupt or discourage legitimate NPO activity such as fundraising, and that sanctions applied are proportionate to any violations. The FATF continues to monitor that Türkiye's oversight of the NPO sector is in line with the risk-based approach as set out in the FATF Standards.

UGANDA

Since February 2020, when Uganda made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime, Uganda demonstrated progress, including demonstrating LEAs and judicial authorities apply the ML offence consistent with the identified risks, and establishing and implementing policies and procedures for identifying, tracing, seizing and confiscating proceeds and instrumentalities of crime. Uganda should continue to work to implement its action plan to address its strategic deficiencies, including by: (1) developing and implementing risk-based supervision of FIs and DNFBPs; (2) ensuring that competent authorities have timely access to accurate basic and beneficial ownership information for legal entities; and (3) addressing the technical deficiencies in the legal framework to implement PF-related targeted financial sanctions. The FATF continues to monitor Uganda's oversight of the NPO

sector to encourage the application of the risk-based approach to supervision of NPOs in line with the FATF Standards and mitigate unintended consequences.

The FATF expresses concern that Uganda failed to complete its action plan, which fully expired in May 2022. The FATF strongly urges Uganda to swiftly demonstrate significant progress in completing its action plan by June 2023 or the FATF will consider next steps if there is insufficient progress.

UNITED ARAB EMIRATES

Since February 2022, when the United Arab Emirates (UAE) made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime, the UAE demonstrated significant progress, including by demonstrating a sustained increase in outbound MLA requests to help facilitate the investigation of TF, ML, and high-risk predicates, showing greater use of financial intelligence to pursue high-risk ML threats, and combating UN sanctions evasion, including by demonstrating a better understanding among the private sector.

The UAE should continue to work to implement its FATF action plan by: (1) enhancing and maintaining a shared understanding of the ML/TF risks between the different DNFBP sectors and institutions; (2) showing an increase in the number and quality of STRs filed by FIs and DNFBPs; (3) ensuring a more granular understanding of the risk of abuse of legal persons and, where applicable, legal arrangements, for ML/TF; and (4) demonstrating a sustained increase in effective investigations and prosecutions

of different types of ML cases consistent with UAE's risk profile.

YEMEN

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

JURISDICTIONS NO LONGER SUBJECT

TO INCREASED MONITORING BY THE FATF

CAMBODIA

The FATF welcomes Cambodia's significant progress in improving its AML/CFT regime. Cambodia has 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 2019 related to improvements in the legal framework for international cooperation and preventive measures, risk-based supervision of FIs and DNFBPs, improving the quality and quantity of FIU disseminations, increasing and improving investigation and prosecution of ML and asset confiscation and establishing and implementing a legal framework for PF TFS. Cambodia is therefore no longer subject to the FATF's increased monitoring process.

Cambodia should continue to work with APG to sustain its improvements in its AML/CFT system.

MOROCCO

The FATF welcomes Morocco's significant progress in improving its AML/CFT regime. Morocco 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 2021 related to improving its international cooperation mechanisms, strengthening AML/CFT supervision, strengthening transparency of legal persons by ensuring timely access to accurate beneficial ownership information, strengthening the capacities of the FIU, enhancing capacities to conduct ML investigation and confiscate the proceeds of crime and improving effectiveness of the targeted financial sanctions regime. Morocco is therefore no longer subject to the FATF's increased monitoring process.

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

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High-Risk Jurisdictions subject to a Call for Action – 24 February 2023

Publication details

Language	Country	Topic
English	Democratic Republic of Korea | Iran | Myanmar	High-risk and other monitored jurisdictions

High-Risk Jurisdictions subject to a Call for Action – 24

February 2023

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. Therefore, please refer to the statement on these jurisdictions adopted on 21 February 2020. While the statement may not necessarily reflect the most recent status of Iran and the Democratic People's Republic of Korea's AML/CFT regimes, the FATF's call to apply countermeasure on these high-risk jurisdictions remains in effect

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

Democratic People's Republic of Korea (DPRK) [unchanged since February 2020]

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

[unchanged since February 2020]

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.[2]

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.[3]

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

[unchanged since October 2022]

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

In June 2022, the FATF strongly urged Myanmar to swiftly complete its action plan by October 2022 or the FATF would call on its members and urge all jurisdictions to apply enhanced due diligence to business relations and transactions with Myanmar. 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.

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 on-site/offsite inspections are risk-based, and hundi operators are registered and supervised; (3) demonstrating enhanced use of financial intelligence in LEA investigations, and increasing operational analysis and disseminations by the 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) demonstrating implementation of targeted financial sanctions related to PF.

The FATF urges Myanmar to work to fully address its AML/CFT deficiencies and Myanmar will remain on the list of countries subject to a call for action until its full action plan is completed. .

- High-Risk Jurisdictions subject to a Call for Action – 21 February 2020 for DPRK and Iran
- Jurisdictions under Increased Monitoring - 24 February 2023
- Outcomes FATF Plenary 22-24 February 2023

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