

## **FATF PUBLIC STATEMENTS – JUNE 2024**

The Financial Action Task Force (“FATF”) has issued its latest public statements identifying jurisdictions with strategic deficiencies in their anti-money laundering and counter financing of terrorism (AML/CFT) regimes:

1. High-Risk Jurisdictions subject to a Call for Action – 28 June 2024; and
2. Jurisdictions under Increased Monitoring – 28 June 2024.

### **High-Risk Jurisdictions Subject to a Call for Action**

High-risk jurisdictions have significant strategic deficiencies in their AML/CFT/CPF regimes. 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, to apply counter-measures to protect the international financial system from the ML, TF and PF risks emanating from the country.

#### **A. High-Risk Jurisdictions Subject to a Call to Apply Countermeasures**

**DPRK** - the FATF remains concerned by the DPRK’s continued failure to address the significant deficiencies in its AML/CFT regime and the serious threats posed by the DPRK’s illicit activities related to the proliferation of weapons of mass destruction (WMDs).

The FATF has re-emphasised the need for jurisdictions to implement targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions (UNSCR) and to apply the following counter-measures to protect financial sectors from ML/TF/PF risks emanating from the DPRK.

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

The FATF also indicated that the ability to obtain reliable and credible information to support the assessment of PF risks relating to the DPRK has been hampered by the recent termination of the UN 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.

Due to DPRK's increased connectivity with the international financial system, which raises proliferation financing (PF) risks, the FATF has called for greater vigilance and renewed implementation and enforcement of countermeasures against the DPRK. The FATF also urges countries to adequately assess and account for the increased proliferation financing risk given the greater financial connectivity reported.

As set out in UNSCR 2270, DPRK frequently uses front companies, shell companies, joint ventures and complex, opaque ownership structures for the purpose of violating sanctions. The FATF therefore encourages all countries to apply enhanced due diligence to the DPRK and its ability to facilitate transactions on its behalf.

**Iran** – The FATF remains concerned with the TF risk emanating from Iran and the threat this poses to the international financial system given Iran's failure to enact the Palermo and Terrorist Financing Conventions in line with FATF Standards. As such, the FATF has fully lifted its suspension of counter-measures and calls on its members and urges **all** jurisdictions to apply effective counter-measures, in line with Recommendation 19.

## **B. High-Risk Jurisdictions Subject to a Call to Apply ECDD Measures**

**Myanmar** remains on the FATF's list of countries subject to a call for action based on its slow progress in completing its action plan to address deficiencies identified in its Mutual Evaluation Report. As such, the FATF has called on its members and urges all jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from business relations and transactions with Myanmar. As part of jurisdictions' enhanced due diligence measures, financial institutions should increase the degree and nature of monitoring of business relationships, in order to determine whether those transactions or activities appear unusual or suspicious. However, when applying enhanced due diligence measures, countries should ensure that the flows of funds for humanitarian assistance, legitimate NPO activity and remittances are **not** disrupted.

The FATF's full public statement on Jurisdictions Subject to a Call for Action can be found [here](#).

### **Jurisdictions under Increased Monitoring**

There are currently 21 countries under and subject to increased monitoring by the FATF, otherwise referred to as a 'grey list.' These jurisdictions 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.

There is no requirement to apply enhanced due diligence measures to these jurisdictions. The FATF calls for the application of a risk-based approach when dealing with these countries and does not envisage de-risking, or cutting-off entire classes of customers. The FATF encourages its members and all jurisdictions to take into account the information presented in the updated statements provided in the links below when carrying out their risk analysis.

Since the June 2024 review, the FATF has listed **Monaco** and **Venezuela**. Statements issued in relation to **Kenya, Namibia, Syria and Yemen** are also included but may not necessarily reflect the most recent status of these jurisdictions' AML/CFT regime as these countries chose to defer reporting.

- Bulgaira
- Burkina Faso
- Cameroon
- Croatia
- Democratic Republic of the Congo
- Haiti
- Kenya
- Mali
- Monaco
- Nigeria
- Philippines
- Senegal
- South Africa
- South Sudan
- Syria
- Tanzania
- Venezuela
- Vietnam

- Mozambique
- Yemen
  
- Namibia

Following the June review **Jamaica** and **Turkey** were removed from the list as the FATF recognised the significant progress made by these jurisdictions in improving their AML/CFT regime.

The FATF's full public statement on each of the countries under increased monitoring can be found [here](#).

The British Virgin Islands Financial Services Commission ("FSC") wishes to advise the general public, including all persons who are required to comply with the requirements of the Anti-Money Laundering Regulations, 2008 and the Anti-Money Laundering and Terrorist Financing Code of Practice, 2008, to note the concerns expressed by the FATF with respect to the named jurisdictions and consider the associated money laundering and/or terrorist financing risks.

The FSC encourages all to apply appropriate or enhanced customer due diligence measures when dealing with customers or handling transactions connected with any of the jurisdictions that the FATF's public statements have identified.