

## **Outcome of the FATF Plenary and Working Group Meetings in February 2023**

Subsequent to the Financial Action Task Force (FATF) Plenary and Working Group meetings held in February 2023, FATF issued (i) a public statement on high-risk jurisdictions subject to a call for action; and (ii) a document titled "Jurisdictions under Increased Monitoring". Details are as follows –

### **(i) FATF Statement on High-Risk Jurisdictions subject to a Call for Action**

A [\*FATF Statement on High Risk Jurisdictions Subject to a Call for Action\*](#) was published on 24 February 2023. Since February 2020, in light of the COVID-19 pandemic, the FATF has paused the review process for Iran and Democratic People's Republic of Korea, given that they are already subject to the FATF's call for countermeasures. 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 anti-money laundering (AML)/combating the financing of terrorism (CFT) regimes, the FATF's call to apply countermeasures on these high-risk jurisdictions remains in effect.

To recap, the Democratic People's Republic of Korea is subject to a FATF call on its members and other jurisdictions to apply countermeasures to protect the international financial system from the on-going money laundering and terrorist financing risks emanating from the jurisdiction.

Meanwhile, Iran is subject to a FATF call on its members and other jurisdictions to apply, in line with Recommendation 19 <sup>Note</sup> (i.e. Higher Risk Countries) -

- (a) increased supervisory examination for branches and subsidiaries of financial institutions based in Iran;
- (b) enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and
- (c) increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran.

<sup>Note</sup> *According to Recommendation 23, (DNFBPs) should be required to comply with the higher-risk countries requirements set out in Recommendation 19.*

In February 2020, Myanmar committed to address its strategic deficiencies. Myanmar's action plan expired in September 2021. In June 2022, FATF strongly urged Myanmar to swiftly complete its action plan by October 2022 or 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, 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 non-profit organisations activity and remittances are not disrupted.

## **(ii) Jurisdictions under Increased Monitoring**

FATF issued another document titled [\*Jurisdictions under Increased Monitoring\*](#). 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. The Democratic Republic of the Congo, Mozambique, and Tanzania chose to defer reporting; thus, the statements issued in October 2022 for that jurisdiction are included, but it may not necessarily reflect the most recent status of the jurisdiction's AML/CFT regime. Following the review, the FATF now also identifies Nigeria and South Africa. Morocco and Cambodia are no longer subject to increased monitoring.

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