

Financial Intelligence Unit

Circular

Financial Action Task Force (FATF) “Black List”

High-Risk Jurisdictions subject to a Call for Action - February 21, 2020

High-risk jurisdictions are jurisdictions that have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing and proliferation financing. The FATF urges all jurisdictions to apply enhanced due diligence, and in the most serious cases countermeasures, to protect the international financial system from the ongoing money laundering, terrorist financing, and proliferation financing risks emanating from the following high-risk jurisdiction(s).

Democratic People’s Republic of Korea (DPRK) and Iran are high-risk jurisdictions.

- **Democratic People’s Republic of Korea (DPRK)**

The FATF remains concerned by the DPRK’s failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threats they pose to the integrity of the international financial system. The FATF urged the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, FATF has serious concerns with the threat posed by DPRK’s illicit activities related to the proliferation of weapons of mass destruction (WMDs) and how it is financing.

Reporting entities are therefore advised to give special attention to business relationships and transactions with the DPRK, including DPRK companies, financial institutions and those acting on their behalf; and wherever and whenever it is required, to comply with the applicable provisions of sections 68A(1) to (4) and 68E(1) to (4) of the AML/CFT Act 2009 as amended, relating to targeted financial sanctions.

FATF also urged jurisdictions to 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.

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- **Iran**

Reporting entities are advised to continue to apply enhanced due diligence with respect to business relationships and transactions with natural and legal persons from Iran, including: (i) obtaining information on the reasons for intended transaction(s); and (ii) conducting enhanced monitoring of business relationships, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

The FATF's publication of February 21, 2020 in relation to *High-Risk Jurisdictions subject to a Call for Action* can be viewed via the FATF website at <http://www.fatf-gafi.org>.

Reporting entities should take the FATF statement into account when considering whether a particular transaction should be reported to the Financial Intelligence Unit (FIU) as a suspicious transaction under Section 18(4) of the Anti-Money Laundering and Countering the Financing of Terrorism (AMLCFT) Act 2009. Where a transaction is reportable under Regulation 12 of Regulations 2010 (made under the AMLCFT Act) as a threshold transaction, reporting entities should remember that a suspicious transaction report may be required in addition to the threshold report, where suspicion or reasonable grounds for suspicion exist that the funds, transaction or attempted transaction are linked or related to money laundering or terrorist financing offences, or the funds are linked to or is to be used for terrorist acts or by terrorist organisations.

Reporting entities should be aware that the application of enhanced due diligence and counter-measures on DPRK and Iran may differ from country to country and that such measures may have implications for reporting entities in Guyana dealing with these high-risk jurisdictions.

Note:

The information contained in this document is intended only to provide a summary and general overview on these matters. It is not intended to be comprehensive. It does not constitute, nor should it be treated as, legal advice or opinion.