



Financial Intelligence Unit

Circular

Financial Action Task Force (FATF) Public Statement of October 18, 2019 relating to high-risk and non-cooperative jurisdictions.

On October 18, 2019 the Financial Action Task Force (FATF), the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), issued an updated statement on “Jurisdictions that have strategic deficiencies in their anti-money laundering and combatting the financing of terrorism (AML/CFT) regimes. This statement lists those jurisdictions in two categories and effectively replaces any earlier statements regarding those jurisdictions.

Jurisdictions subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing (ML/FT) risks.

- **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 its 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.



Reporting entities should be aware that the imposition of countermeasures on DPRK may differ from country to country and that such measures may have implications for reporting entities in Guyana dealing with DPRK.

Jurisdictions subject to a FATF call on its members and other jurisdictions to apply, in line with Recommendation 19:

- (i) Increased supervisory examination for branches and subsidiaries of financial institutions based in Iran;***
- (ii) Enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and***
- (iii) Increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran.***

- **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.

Reporting entities should be aware that the application of enhanced due diligence may differ from country to country and that such measures may have implications for reporting entities in Guyana dealing with Iran.

The FATF Public Statement of October 18, 2019 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.



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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.

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