

No. 7

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Financial Intelligence Unit

Circular

Financial Action Task Force (FATF) Public Statement of October 21, 2016 relating to high-risk and non-cooperative jurisdictions.

(a) Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures to protect the international financial system from ongoing and substantial money laundering and terrorist financing (ML/TF) risks emanating from the jurisdictions are:

- Democratic People's Republic of Korea (DPRK).

On October 21, 2016 the Financial Action Task Force (FATF), the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), 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. The FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable UNSC Resolutions, to protect their financial sectors from money laundering, financing of terrorism and weapons of mass destruction (WMD) proliferation financing risks emanating from the DPRK. FATF also advises 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.

(b) 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.

- Iran

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

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A copy of the updated FATF statement of October 21, 2016 can also be viewed via the FATF website at <http://www.fatf-gafi.org>.

Reporting entities should take the FATF Public 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 grounds for suspicion exist. FIU recommends that reporting entities continue to review and update their AML/CFT programs.

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 opinions.

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