



High-risk and non-cooperative jurisdictions

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Déclaration publique du GAFI
– 18 octobre 2013

FATF Public Statement, 18 October 2013

Paris, 18 October 2013 - The Financial Action Task Force (FATF) is the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). In order to protect the international financial system from money laundering and financing of terrorism (ML/FT) risks and to encourage greater compliance with the AML/CFT standards, the FATF identified jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.

Document type

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Jurisdictions not making sufficient progress

Mongolia

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/TF) risks emanating from the jurisdictions.

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Jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction, as described below.

Algeria
Ecuador
Ethiopia
Indonesia
Kenya
Myanmar
Pakistan
Syria
Tanzania
Turkey
Yemen

Vietnam is now identified in the FATF document, "Improving Global AML/CFT Compliance: On-going Process" due to its progress in largely addressing its action plan agreed upon with the FATF.

São Tomé and Príncipe was earlier identified in the FATF's Public Statement. While São Tomé and Príncipe has made recent progress, its AML/CFT framework still contains a number of strategic deficiencies. Given the small size of this country's financial sector and its low impact on the international financial system, however, the FATF decided that São Tomé and Príncipe should continue to work closely with GIABA to address its remaining AML/CFT deficiencies.

Iran

The FATF remains particularly and exceptionally concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system, despite Iran's previous engagement with the FATF and recent submission of information.

The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In

addition to enhanced scrutiny, the FATF reaffirms its 25 February 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. The FATF continues to urge jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices and to take into account ML/FT risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdiction. Due to the continuing terrorist financing threat emanating from Iran, jurisdictions should consider the steps already taken and possible additional safeguards or strengthen existing ones.

The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalising terrorist financing and effectively implementing suspicious transaction reporting (STR) requirements. If Iran fails to take concrete steps to continue to improve its CFT regime, the FATF will consider calling on its members and urging all jurisdictions to strengthen counter-measures in February 2014.

***Jurisdictions no longer
subject to monitoring***

Morocco
Nigeria

> full statement

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About the International Co-
operation Review Group
(ICRG)

Democratic People's Republic of Korea (DPRK)

Since June 2013, the DPRK has continued to engage directly with the FATF and has engaged further with the APG. The FATF urges the DPRK to enhance its engagement with the FATF to agree on an action plan to address its AML/CFT deficiencies.

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 threat this poses to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies.

The FATF 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 and financial institutions. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from the DPRK. Jurisdictions should also protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and take into account ML/FT risks when considering requests by DPRK financial institutions to open branches and subsidiaries in their jurisdiction.

Algeria

Despite Algeria's high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Algeria has not made sufficient progress in implementing its action plan within the established timelines, and certain strategic deficiencies remain. Algeria should continue to work with the FATF and MENAFATF on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; and (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets. The FATF encourages Algeria to address its deficiencies and continue the process of implementing its action plan.

Ecuador

Ecuador has taken important steps towards improving its AML/CFT regime, including the recent adoption by its National Assembly of amendments to the criminal code aimed at addressing deficiencies in Ecuador's criminalisation of money laundering and terrorist financing, and regime for freezing terrorist assets. These amendments have yet to take effect. However, despite Ecuador's important progress and high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies, Ecuador has not made sufficient progress in implementing its action plan within the established timelines, and certain strategic deficiencies remain. Ecuador should continue to work on

implementing its action plan to address these deficiencies, including by: (1) ensuring adequate criminalisation of money laundering and terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) implementing adequate procedures for the confiscation of funds related to money laundering; and (4) continuing to enhance co-ordination of financial sector supervision. In particular, Ecuador should move quickly to bring the recent amendments to the criminal code into force before the February 2014 FATF meetings, or the FATF will consider calling on its members to apply counter-measures proportionate to the risks associated with this jurisdiction at that time.

Ethiopia

Ethiopia has taken steps towards improving its AML/CFT regime. However, despite Ethiopia's high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies, Ethiopia has not made sufficient progress in implementing its action plan within the agreed timelines, and certain strategic AML/CFT deficiencies remain. Ethiopia should continue to work on implementing its action plan to address these deficiencies, including by: (1) establishing and implementing an adequate legal framework and procedures to identify and freeze terrorist assets; and (2) improving customer due diligence measures. The FATF encourages Ethiopia to address its remaining deficiencies and continue the process of implementing its action plan.

Indonesia

Indonesia has taken steps towards improving its AML/CFT regime. However, despite Indonesia's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Indonesia has not made sufficient progress in implementing its action plan within the agreed timelines, and certain key CFT deficiencies remain regarding the establishment and implementation of an adequate legal framework and procedures for identifying and freezing of terrorist assets. The FATF encourages Indonesia to address these remaining issues, in compliance with international standards.

Kenya

Kenya has taken steps towards improving its AML/CFT regime, including by parliamentary approval of the Finance Bill, which amends the FT offence; however, this is still awaiting Presidential assent. Despite Kenya's high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies, Kenya has not made sufficient progress in implementing its action plan within the agreed timelines, and certain strategic AML/CFT deficiencies remain. Kenya should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit; (3) establishing and implementing an adequate legal framework for the identification and freezing of terrorist assets; and (4) implementing an adequate and effective AML/CFT supervisory programme for all financial sectors. The FATF encourages Kenya to address its remaining deficiencies and continue the process of implementing its action plan.

Myanmar

Myanmar has taken steps towards improving its AML/CFT regime. However, despite Myanmar's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Myanmar has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) further strengthening the extradition framework in relation to terrorist financing; (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit; (5) enhancing financial transparency; and (6) strengthening customer due diligence measures. The FATF encourages Myanmar to address the remaining deficiencies and continue the process of implementing its action plan.

Pakistan

Pakistan has taken substantial steps towards improving its AML/CFT regime, including by issuing a Statutory Regulatory Order that addresses the definition of terrorism and an Anti-Terrorism Amendment Ordinance to establish procedures for the identification and freezing of terrorist assets. The FATF commends Pakistan for the issuance of the Anti-Terrorism Amendment Ordinance, which came into force on 12 October 2013 and allows Pakistan to begin implementing its UNSCR 1373 obligations immediately. The FATF encourages Pakistan to begin implementing the ordinance expeditiously. However, the FATF has concerns regarding the temporary character of this ordinance, which will need to be converted into permanent legislation through the parliamentary process. The FATF therefore urges Pakistani authorities to take the necessary steps for swift ratification of the ordinance by its legislature. If Pakistan amends its Anti-Terrorism Act to incorporate the content of the ordinance before the February 2014 meetings, then the FATF will be able to authorise an on-site visit during its February 2014 meetings to confirm that the process of implementing the required reforms and actions is underway to address deficiencies previously identified by the FATF.

Syria

Syria has taken steps towards improving its AML/CFT regime, including by promulgating amendments to its AML/CFT Decree in July 2013. The FATF has not yet assessed these amendments to determine the extent to which they address the issue of providing sufficient legal basis for implementing the obligations under UNSCR 1373 and implementing adequate procedures for identifying and freezing terrorist assets. The FATF encourages Syria to address its remaining deficiencies and continue the process of implementing its action plan.

Tanzania

Tanzania has taken steps towards improving its AML/CFT regime. However, despite Tanzania's high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies, Tanzania has not made sufficient progress in implementing its action plan within the agreed timelines, and certain strategic CFT deficiencies remain regarding the establishment and implementation of adequate procedures to identify and freeze terrorist assets. The FATF encourages Tanzania to address this remaining deficiency and continue the process of implementing its action plan.

Turkey

Turkey has continued to take steps towards improving its CFT regime, including by issuing a Council of Ministers' Decree implementing UNSCRs 1267, 1988, and 1989. However, certain concerns remain, and Turkey should take further steps to implement an adequate legal framework for identifying and freezing terrorist assets under UNSCRs 1267 and 1373. Turkey should also continue to ensure that terrorist financing has been adequately criminalised. The FATF encourages Turkey to address the remaining strategic deficiencies and continue the process of implementing its action plan.

Yemen

Yemen has taken significant steps towards improving its AML/CFT regime, including by adopting and bringing into force amendments to its AML/CFT Law. The FATF has not assessed these amendments due to their very recent nature, and therefore the FATF has not yet determined the extent to which they address any of the following issues: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets. The FATF urges Yemen to address its remaining deficiencies and continue the process of implementing its action plan.