



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR | FINANCIAL SUPERVISION SECTOR

CIRCULAR LETTER NO. CL-2023-062

To : All BSP-Supervised Financial Institutions (BSFIs)

Subject : Financial Action Task Force Publications dated 27 October 2023

This is to inform all BSFIs of the Financial Action Task Force (FATF) publications issued last 27 October 2023 on: (i) high-risk jurisdictions subject to a call for action¹, (ii) jurisdictions under increased monitoring², and (iii) statement on the Russian Federation³.

1. High Risk Jurisdictions subject to a Call for Action

High risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering (ML), terrorist financing (TF), and proliferation financing (PF). These jurisdictions are subject to application of enhanced due diligence (EDD) or counter-measures to protect the international financial system from the ML/TF/PF risks emanating from the country. No new countries/jurisdictions were added to this list.

- **Jurisdictions subject to a FATF call on its members and other jurisdictions to apply counter-measures**

Democratic People's Republic of Korea (DPRK) and Iran (unchanged since February 2020)

BSFIs should refer to the FATF statement on these jurisdictions adopted on 21 February 2020⁴, which was previously disseminated by the BSP thru various circular letters (CLs), the latest of which was CL-2023-038⁵. While the statement may not necessarily reflect the most recent status of Iran and the DPRK's anti-money laundering/countering terrorist financing (AML/CFT) regimes, the FATF's call to apply countermeasures⁶ on these high-risk jurisdictions remains in effect.

In addition, BSFIs should take necessary actions (such as immediate freezing and filing of returns) required under relevant issuances on targeted financial sanctions (TFS) in case of funds or property, including related accounts, of the designated persons and entities referred to in all applicable United Nations Security Council (UNSC) and AMLC Resolutions.

- **Jurisdiction subject to a FATF call on its members and other jurisdictions to apply EDD measures proportionate to the risks arising from the jurisdiction**

Myanmar

The FATF urges Myanmar to work to fully address its AML/CFT deficiencies. Given the continued lack of progress and the majority of its action items still not addressed after a year beyond the action plan deadline, the FATF decided that further action was

¹ This is often externally referred to as the "blacklist"; <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-october-2023.html>

² This is often externally referred to as the "grey list"; <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-october-2023.html>

³ <https://www.fatf-gafi.org/en/publications/Fatfgeneral/outcomes-fatf-plenary-october-2023.html>

⁴ <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-february-2020.html>

⁵ <https://www.bsp.gov.ph/Regulations/Issuances/2023/CL-2023-038.pdf>

⁶ The Interpretative Note to Recommendation 19 specifies examples of the countermeasures that could be undertaken by countries.

necessary in line with its procedures and calls on its members and other jurisdictions to apply EDD measures proportionate to the risk arising from Myanmar. When applying EDD measures, countries should ensure that flow of funds for humanitarian assistance, legitimate non-profit organization activity and remittances are not disrupted.

2. Jurisdictions under Increased Monitoring

These countries are actively working with the FATF and have committed to resolve swiftly the identified strategic deficiencies in their regimes to counter ML/TF/PF within agreed timeframes. The FATF has issued an updated list of jurisdictions under increased monitoring. Bulgaria was added while Albania, Cayman Islands, Jordan, and Panama were removed from the list.

It must be emphasized that the FATF does not call for the application of EDD measures on these jurisdictions, rather, it encourages its members and all jurisdictions to take into account the information presented in their risk analysis. The FATF Standards do not envisage de-risking, or cutting-off entire classes of customers, but call for the application of a risk-based approach.

3. Statement on the Russian Federation

The suspension of the membership of the Russian Federation continues to stand. Following the statements issued since March 2022, the FATF reiterates that all jurisdictions should be vigilant to current and emerging risks from the circumvention of measures taken against the Russian Federation in order to protect the international financial system.

Copies of the aforementioned FATF publications may be viewed and downloaded from the FATF website (www.fatf-gafi.org). BSFIs are likewise directed to regularly refer to the FATF's website for the latest statements on high risk and other monitored jurisdictions and consider the same in their risk analysis and mitigation strategies.

For guidance and strict compliance.

 Digitally signed by
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08 November 2023