



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR | FINANCIAL SUPERVISION SECTOR

CIRCULAR LETTER NO. CL-2023-015

To : **All BSP-Supervised Financial Institutions (BSFIs)**

Subject : **Financial Action Task Force (FATF) Publications – 24 February 2023**

This is to inform all BSFIs of the FATF publications on: (i) high-risk jurisdictions subject to a call for action¹, (ii) jurisdictions under increased monitoring² and (iii) the Russian Federation³.

1. High Risk Jurisdictions subject to a Call for Action –

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

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-2022-072⁵. 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 issuances⁷ 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 enhanced due diligence (EDD) measures proportionate to the risks arising from the jurisdiction**

Myanmar (unchanged since October 2022)

Given the continued lack of progress and the majority of its action items still not addressed after a year beyond the action plan deadline⁸, the FATF decided that further action was necessary in line with its procedures and calls on its members and other

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

² Previously called "Improving Global AML/CFT Compliance: On-going process"; often externally referred as the "grey list"; <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-february-2023.html>

³ <https://www.fatf-gafi.org/en/publications/Fatfgeneral/fatf-statement-russian-federation.html>

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

⁵ <https://www.bsp.gov.ph/Regulations/Issuances/2022/CL-2022-072.pdf>

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

⁷ Such as the AMLC 2021 Sanctions Guidelines dated 03 March 2021 and other issuances to implement the TFS against individuals and entities listed in relevant United Nations Security Council Resolutions, those designated by the Anti-Terrorism Council, and proscribed by the Court of Appeals.

⁸ Myanmar's action plan expired in September 2021. In June 2022, the FATF strongly urged Myanmar to swiftly complete its action plan by October 2022 or the FATF would call on its members and urge all jurisdictions to apply enhanced due diligence to business relations and transactions with Myanmar.

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** – The FATF has issued an updated list of 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 money laundering, terrorist financing, and proliferation financing within agreed timelines.

The FATF does not call for the application of EDD measures on these jurisdictions but encourages its members and all jurisdictions to take into account the information presented in their risk analysis.

3. **Statement on the Russian Federation** – The FATF continues to call upon all jurisdictions to remain vigilant of threats to the integrity, safety and security of the international financial system arising from the Russian Federation's war against Ukraine. The FATF reiterates that all jurisdictions should be alert to possible emerging risks from the circumvention of measures taken in order to protect the international financial system and take the necessary measures to mitigate these risks.

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.



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