



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR | FINANCIAL SUPERVISION SECTOR

CIRCULAR LETTER NO. CL-2024-034

To : All BSP-Supervised Financial Institutions (BSFIs)

Subject : Financial Action Task Force (FATF) Publications – 28 June 2024

This is to inform all BSFIs of the FATF publications issued last 28 June 2024 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

For all countries identified as high risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence (EDD), and in the most serious cases, apply countermeasures to protect the international financial system from the money laundering (ML), terrorist financing (TF), and proliferation financing (PF) risks emanating from the country. Given heightened PF risks, the FATF reiterates its call to apply countermeasures on these high-risk jurisdictions. No new jurisdictions were added to this list.

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

- a. **Democratic People's Republic of Korea (DPRK)** – The FATF has continually reiterated since 2011 the need for all countries to robustly implement the targeted financial sanctions (TFS) in accordance with United Nations Security Council (UNSC) Resolutions and apply the following countermeasures to protect their financial systems from the ML/TF/PF threat emanating from DPRK: (i) terminate correspondent relationships with DPRK banks; (ii) close any subsidiaries or branches of DPRK banks in their countries; and (iii) limit business relationships and financial transactions with DPRK persons. The FATF also urges countries to adequately assess and account for the increased PF risk with the greater financial connectivity reported, particularly since the next round of assessments requires countries to adequately assess PF risks under Recommendation 1 and Immediate Outcome 11.

- b. **Iran** – The FATF fully lifts the suspension of countermeasures and calls on its members and urges all jurisdictions to apply effective countermeasures against Iran, in line with Recommendation 19⁴. Until Iran implements the measures required to address the deficiencies identified with respect to countering terrorism-financing in its Action Plan, the FATF will remain concerned with the TF risk emanating from Iran and the threat this poses to the international financial system.

¹ previously called "Public Statement"; often externally referred to as the "blacklist"; <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-june-2024.html>

² previously called "Improving Global AML/CFT Compliance: On-going process"; often externally referred as the "grey list"; <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-june-2024.html>

³ The suspension of the Russian Federation continues to stand (see February 2024 statement: <https://www.fatf-gafi.org/en/publications/Fatfgeneral/fatf-statement-russian-federation-feb-2024.html>)

⁴ The Interpretative Note to Recommendation 19 specifies examples of the countermeasures that could be undertaken by countries.

- **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 calls on its members and other jurisdictions to apply EDD measures proportionate to the risk arising from Myanmar. The FATF requires that as part of EDD, financial institutions should increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear unusual or suspicious. When applying EDD measures, countries should ensure that flows of funds for humanitarian assistance, legitimate non-profit organizations (NPO) 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 removed Jamaica and Turkiye from the list of countries under increased monitoring following successful on-site visits. Meanwhile, new jurisdictions added to the list are Monaco and Venezuela.

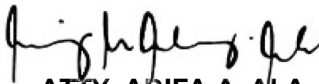
The FATF does not call for the application of EDD measures on these jurisdictions but encourages its members and all jurisdictions to take into account the information presented in their risk analysis.

3. Statement on 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.


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05 July 2024