

General Notice No. 360 of 2023

HIGH RISK COUNTRY

Identification of high risk country by the Minister of Financial Services and Good Governance under section 17H(1) of the Financial Intelligence and Anti-Money Laundering Act

1. Section 17H(1) of the Financial Intelligence and Anti-Money Laundering Act (Act) provides that where a jurisdiction is identified by the Financial Action Task Force (FATF) as having significant or strategic deficiencies in its anti-money laundering and combatting the financing of terrorism and proliferation measures (AML/CFT measures), the Minister to whom responsibility for the subject of money laundering is assigned (Minister) may, on the recommendation of the National Committee for Anti-Money Laundering and Combating the Financing of Terrorism (National Committee) identify that jurisdiction as a high risk country.
2. On 21 October 2022, FATF issued the following statement: "High-Risk Jurisdictions subject to call for action".
3. In the light of the jurisdictions identified by FATF in the statement, the Minister has, on the recommendation of the National Committee, identified the following countries as high risk countries -
 - Democratic People's Republic of Korea (DPRK) — unchanged since February 2020
 - Iran — unchanged since February 2020
 - Myanmar since 21 October 2022
4. Reporting Persons are reminded that they are required, under section 17H(2) of the Act, to apply such enhanced due diligence measures which are prescribed in the Financial Intelligence and Anti-Money Laundering Regulations 2018 with respect to business relationships or transactions involving those high risk countries. In addition, reporting persons shall, where applicable and proportionate to the risks, apply one or more of the following additional mitigating measures to persons and legal entities carrying out transactions involving those high risk countries —
 - (a) the application of additional elements of enhanced due diligence;
 - (b) the introduction of enhanced relevant reporting mechanisms or systematic reporting of financial transactions;
 - (c) the limitation of business relationships or transactions with natural persons or legal entities from those high risk countries.
5. Against this background, reporting persons shall —
 - (a) consult the FATF public documents which are published on the website of the FATF (<https://www.fatf-gafi.org/>) at least 3 times a year, namely in February, June and October, and apply the countermeasures recommended by the FATF in those documents;
 - (b) give special attention to business relationships and transactions with persons (both natural and legal persons) in those high risk countries, including companies, legal arrangements/trusts and financial institutions based in those countries;
 - (c) strengthen systems and controls in managing their exposure to the vulnerabilities identified by FATF, and
 - (d) ensure that correspondent relationships, in particular, are not being used to evade countermeasures and risk mitigation practices.

6. Any non-compliance with the directions and specifications contained in this Notice is a criminal offence under the Act and may further attract administrative sanctions and penalties imposed by the supervisory authorities under the Act.
7. Enquiries on this Notice may be directed to the AML/CFT Unit of the Ministry of Financial Services and Good Governance on 404 2400.

Date: 02 March 2023

Ministry of Financial Services and Good Governance