



Date: 12 July 2024

To: All Registrants and Licensees

Re: Financial Action Task Force Public Statement on Democratic People's Republic of Korea, Iran and Myanmar (High-Risk Jurisdictions subject to a Call for Action)

Licensees and registrants of the Securities Commission of The Bahamas (the Commission) are hereby informed that on 28 June 2024, the Financial Action Task Force (FATF) issued a public statement advising that the calls for action issued by the FATF on 21 February 2020, regarding the Democratic People's Republic of Korea (DPRK) and Iran, and on 21 October 2022 regarding Myanmar, all remain in effect.

FATF's June 2024 public statement urges all Jurisdictions to apply enhanced due diligence, and in most serious cases, counter measures, regarding business relationships and transactions, with the DPRK, Iran and Myanmar, to address associated money laundering, terrorist financing and proliferation financing risks.

Copies of the FATF's February 2020, October 2022, and June 2024 public statements are attached hereto, and can be found at the following web addresses:

1. February 2020 Public Statement: <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-february-2020.html>
2. October 2022 Public Statement: <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-october-2022.html>
3. June 2024 Public Statement: <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-june-2024.html>

In this regard, licensees and registrants are reminded of their obligations under the International Obligations (Economic Ancillary Measures) (Democratic People's Republic of Korea) Order 2019 and the International Obligations (Economic and Ancillary Measures) (Iran) Order, 2019 that can be found on the Commission's website at the following web addresses:

1. <https://www.scb.gov.bs/wp-content/uploads/2020/02/DPRK-Order.pdf>
2. <https://www.scb.gov.bs/wp-content/uploads/2020/02/INTERNATIONAL-OBLIGATIONS-ECONOMIC-and-ANCILLARY-MEASURES-IRAN-ORDER-2019.pdf>

A copy of this notice can be found on the Commission's website. Please direct any inquiries concerning this notice to the Commission at:

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High-Risk Jurisdictions subject to a Call for Action - June 2024

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"black list"

Singapore, 28 June 2024 -

High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and, in the most serious cases, countries are called upon to apply countermeasures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country. This list is often externally referred to as the “black list”. Since February 2020, only Iran once reported in January 2024 with no material changes in the status of its action plan.

Given heightened proliferation financing risks, the FATF reiterates its call to apply countermeasures on these high-risk jurisdictions.

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

Democratic People's Republic of Korea (DPRK)

Building upon the FATF statements over the past decade, the FATF remains concerned by the DPRK's continued failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threats posed by the DPRK's illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

The FATF has continually reiterated since 2011 the need for all countries to robustly implement the targeted financial sanctions in accordance with UNSC Resolutions and apply the following countermeasures to protect their financial systems from the money laundering, terrorist financing, and proliferation financing threat emanating from DPRK:

- Terminate correspondent relationships with DPRK banks;
- Close any subsidiaries or branches of DPRK banks in their countries; and
- Limit business relationships & financial transactions with DPRK persons.

Despite these calls, DPRK has increased connectivity with the international financial system, which raises proliferation financing (PF) risks, as the FATF noted in February 2024. This requires greater vigilance and renewed

implementation and enforcement of these countermeasures against the DPRK. As set out in UNSCR 2270, DPRK frequently uses front companies, shell companies, joint ventures and complex, opaque ownership structures for the purpose of violating sanctions. As such, FATF encourages its members and all countries to apply enhanced due diligence to the DPRK and its ability to facilitate transactions on its behalf.

The FATF also urges countries to adequately assess and account for the increased proliferation financing 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. The ability to obtain reliable and credible information to support the assessment of PF risks relating to the DPRK is hampered by the recent termination of the 1718 Committee Panel of Experts mandate. Thus, the FATF will monitor the measures to comply with DPRK targeted financial sanctions and the implementation of countermeasures against DPRK.

Iran

In June 2016, Iran committed to address its strategic deficiencies. Iran's action plan expired in January 2018. In February 2020, the FATF noted Iran has not completed the action plan.^[1]

In October 2019, the FATF called upon its members and urged all jurisdictions to: require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran; introduce enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran.

Now, given Iran's failure to enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, the FATF fully lifts the suspension of countermeasures and calls on its members and urges all jurisdictions to apply effective countermeasures, in line with Recommendation 19.^[2]

Iran will remain on the FATF statement on [High Risk Jurisdictions Subject to a Call for Action](#) until the full Action Plan has been completed. If Iran ratifies the Palermo and Terrorist Financing Conventions, in line with the FATF

standards, the FATF will decide on next steps, including whether to suspend countermeasures. Until Iran implements the measures required to address the deficiencies identified with respect to countering terrorism-financing in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system.

[1] In June 2016, the FATF welcomed Iran’s high-level political commitment to address its strategic AML/CFT deficiencies, and its decision to seek technical assistance in the implementation of the Action Plan. Since 2016, Iran established a cash declaration regime, enacted amendments to its Counter-Terrorist Financing Act and its Anti-Money Laundering Act, and adopted an AML by-law.

In February 2020, the FATF noted that there are still items not completed and Iran should fully address: (1) adequately criminalizing terrorist financing, including by removing the exemption for designated groups “attempting to end foreign occupation, colonialism and racism”; (2) identifying and freezing terrorist assets in line with the relevant United Nations Security Council resolutions; (3) ensuring an adequate and enforceable customer due diligence regime; (4) demonstrating how authorities are identifying and sanctioning unlicensed money/value transfer service providers; (5) ratifying and implementing the Palermo and TF Conventions and clarifying the capability to provide mutual legal assistance; and (6) ensuring that financial institutions verify that wire transfers contain complete originator and beneficiary information.

[2] Countries should be able to apply appropriate countermeasures when called upon to do so by the FATF. Countries should also be able to apply countermeasures independently of any call by the FATF to do so. Such countermeasures should be effective and proportionate to the risks.

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 enhanced due diligence measures proportionate to the risks arising from the jurisdiction

Myanmar

In February 2020, Myanmar committed to address its strategic deficiencies. Myanmar's action plan expired in September 2021.

In 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 deadline, the FATF decided that further action was necessary in line with its procedures and FATF calls on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from Myanmar. The FATF requires that as part of enhanced due diligence, 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 enhanced due diligence measures, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are not disrupted. If no further progress is made by October 2024, the FATF will consider countermeasures.

Myanmar's overall progress continues to be slow. Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) demonstrating an improved understanding of ML risks in key areas; (2) demonstrating that hundi operators are registered and supervised; (3) demonstrating enhanced use of financial intelligence in law enforcement authorities (LEAs) investigations, and increasing operational analysis and disseminations by the financial intelligence unit (FIU); (4) ensuring that ML is investigated/prosecuted in line with risks; (5) demonstrating investigation of transnational ML cases with international cooperation; (6) demonstrating an

increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value; (7) managing seized assets to preserve the value of seized goods until confiscation; and (8) addressing technical compliance deficiencies related to R.7 to ensure effective implementation of targeted financial sanctions related to proliferation financing.

The FATF urges Myanmar to work to fully address its AML/CFT deficiencies, including to demonstrate that its monitoring and supervision of money or value transfer services (MVTs) is based on documented and sound understanding of ML/TF risks to mitigate undue scrutiny of legitimate financial flows.

Myanmar will remain on the list of countries subject to a call for action until its full action plan is completed.

Related materials

28 Jun 2024

[Jurisdictions under Increased Monitoring - June 2024](#)

Jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. Two additional countries, Monaco and Venezuela, are now also subject to increased monitoring. Jamaica and Türkiye are no longer subject to increased monitoring by the FATF.

28 Jun 2024

[Outcomes FATF Plenary, 26-28 June 2024](#)

The sixth and final Plenary of the FATF under the Presidency of T. Raja Kumar of Singapore concluded today. Delegates from the FATF's Global Network of over 200 jurisdictions and observers from international organisations participated in three days of discussions on key money laundering, terrorism financing and proliferation financing issues in Singapore.

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High-Risk Jurisdictions subject to a Call for Action – 21 October 2022

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Democratic Republic of
Korea | Iran | Myanmar

Topic

High-risk and other
monitored jurisdictions

High-Risk Jurisdictions subject to a Call
for Action – 21 October 2022

High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and, in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country. This list is often externally referred to as the “black list”.

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

Since February 2020, in light of the COVID-19 pandemic, the FATF has paused the review process for Iran and DPRK, given that they are already subject to the FATF’s call for countermeasures. Therefore, please refer to the statement on these jurisdictions adopted in 21 February 2020. While the statement may not necessarily reflect the most recent status of Iran and the Democratic People’s Republic of Korea’s AML/CFT regimes, the FATF’s call to apply countermeasures^[1] on these high-risk jurisdictions remains in effect.

Democratic People's Republic of Korea (DPRK) **[unchanged since February 2020]**

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 threats they pose to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, the FATF has serious concerns with the threat posed by the DPRK’s illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

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, financial institutions, and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/TF/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC resolutions.

Iran

[unchanged since February 2020]

In June 2016, Iran committed to address its strategic deficiencies. Iran's action plan expired in January 2018. In February 2020, the FATF noted Iran has not completed the action plan.^[2]

In October 2019, the FATF called upon its members and urged all jurisdictions to: require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran; introduce enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran.

Now, given Iran's failure to enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, the FATF fully lifts the suspension of counter-measures and calls on its members and urges all jurisdictions to apply effective counter-measures, in line with Recommendation 19.^[3]

Iran will remain on the FATF statement on [High Risk Jurisdictions Subject to a Call for Action] until the full Action Plan has been completed. If Iran ratifies the Palermo and Terrorist Financing Conventions, in line with the FATF standards, the FATF will decide on next steps, including whether to suspend countermeasures. Until Iran implements the measures required to address the deficiencies identified with respect to countering terrorism-financing in

the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system.

Jurisdiction subject to a FATF call on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risks arising from the jurisdiction

Myanmar

In February 2020, Myanmar committed to address its strategic deficiencies. 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. 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 necessary in line with its procedures and FATF calls on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from Myanmar. When applying enhanced due diligence measures, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are not disrupted.

Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) demonstrating an improved understanding of ML risks in key areas; (2) demonstrating that on-site/offsite inspections are risk-based, and hundi operators are registered and supervised; (3) demonstrating enhanced use of financial intelligence in LEA investigations, and increasing operational analysis and disseminations by the FIU; (4) ensuring that ML is investigated/prosecuted in line with risks; (5)

demonstrating investigation of transnational ML cases with international cooperation; (6) demonstrating an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value; (7) managing seized assets to preserve the value of seized goods until confiscation; and (8) demonstrating implementation of targeted financial sanctions related to PF.

The FATF urges Myanmar to work to fully address its AML/CFT deficiencies and Myanmar will remain on the list of countries subject to a call for action until its full action plan is completed.

[1] [The Interpretative Note to Recommendation 19](#) specifies examples of the countermeasures that could be undertaken by countries.

[2] In June 2016, the FATF welcomed Iran’s high-level political commitment to address its strategic AML/CFT deficiencies, and its decision to seek technical assistance in the implementation of the Action Plan. Since 2016, Iran established a cash declaration regime, enacted amendments to its Counter-Terrorist Financing Act and its Anti-Money Laundering Act, and adopted an AML by-law.

In February 2020, the FATF noted that there are still items not completed and Iran should fully address: (1) adequately criminalizing terrorist financing, including by removing the exemption for designated groups “attempting to end foreign occupation, colonialism and racism”; (2) identifying and freezing terrorist assets in line with the relevant United Nations Security Council resolutions; (3) ensuring an adequate and enforceable customer due diligence regime; (4) demonstrating how authorities are identifying and sanctioning unlicensed money/value transfer service providers; (5) ratifying and implementing the Palermo and TF Conventions and clarifying the capability to provide mutual legal assistance; and (6) ensuring that financial institutions verify that wire transfers contain complete originator and beneficiary information.

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- [High-Risk Jurisdictions subject to a Call for Action – 21 February 2020 for DPRK and Iran](#)
- [Jurisdictions under Increased Monitoring - 21 October 2022](#)
- [Outcomes FATF Plenary, 20-21 October 2022](#)

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Topic

High-risk and other
monitored jurisdictions

**High-Risk Jurisdictions subject to a Call
for Action – 21 February 2020**

High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the ongoing money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country. This list is often externally referred to as the “black list”. *

Democratic People's Republic of Korea (DPRK)

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 threats they pose to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, the FATF has serious concerns with the threat posed by the DPRK’s illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

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Iran

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[The Interpretative Note to Recommendation 19](#) specifies examples of the countermeasures that could be undertaken by countries.

* This statement was previously called "Public Statement"

[Jurisdictions under Increased Monitoring – 21 February 2020](#)

[Outcomes FATF Plenary, 19-21 February 2020](#)

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