

ADVISORY REGARDING FINANCIAL DEALINGS WITH LOCATIONS OF SPECIFIC CONCERN

14 January 2010

On 22 October 2010 the Financial Action Task Force (FATF) issued a [Public Statement](#) with respect to the jurisdictions of **Iran** and the **Democratic People's Republic of Korea**. Accordingly, the Ministry of Justice and the Financial Intelligence Unit of the New Zealand Police advise financial institutions¹:

1. to continue giving special attention to business relationships and transactions with **Iran**, including Iranian companies and financial institutions. Financial institutions should also continue to play close attention to correspondent relationships that they may have with Iranian financial institutions; and
2. to note strategic deficiencies have been identified with the AML/CFT regime of the **Democratic People's Republic of Korea** which constitute money laundering and terrorist financing risks and vulnerabilities in the international financial system. Financial institutions should consider the risks arising from the deficiencies associated with the jurisdiction.

For more details concerning the specific deficiencies and risks associated with the jurisdictions listed above, financial institutions are advised to refer to the [22 October 2010 FATF Public Statement](#).

Regarding Iran, financial institutions are further advised to have regard to the UN Sanctions (Iran) Amendment Regulations which came into force on 23 December 2010.

The regulations now require all New Zealanders doing business with Iran to be registered with the Ministry of Foreign Affairs and Trade. In order to register, applicants must provide details of the due diligence they have undertaken and sign a declaration that the applicant believes on reasonable grounds that the business to be done with the Iranian business partner could not contribute to Iran's proliferation-sensitive nuclear activities, or to the development by or on behalf of Iran of nuclear weapon delivery systems, or to violations of resolutions 1737, 1747, 1803, or 1929 of the Security Council of the United Nations.

In addition financial institutions are also advised to take note of an additional document updated by FATF on 22 October 2010: [Improving Global AML/CFT Compliance: On-going Process](#).

In this document the FATF has identified a number of jurisdictions that have strategic AML/CFT deficiencies. The new jurisdictions identified in this document are: Bangladesh, Ghana, Honduras, Philippines, Tanzania, Venezuela, and Vietnam. Each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. The FATF will continue to monitor the progress of these jurisdictions.

¹ As defined in section 3 of the Financial Transactions Reporting Act 1996.