

ADVISORY REGARDING FINANCIAL DEALINGS WITH LOCATIONS OF SPECIFIC CONCERN

10 September 2012

On 22 June 2012 the Financial Action Task Force (FATF) issued a [Public Statement](#) concerning countries identified as posing international money laundering and terrorism financing risks, due to them having deficient Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) measures.

Accordingly, the Ministry of Justice and the Financial Intelligence Unit of the New Zealand Police advise financial institutions¹ to give special attention to business relationships and transactions with:

- **Iran**, including Iranian companies and financial institutions.
- **Democratic People's Republic of Korea (DPRK)**, including DPRK companies and financial institutions.

In particular, financial institutions should protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices in relation to these countries.

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

The regulations require all New Zealanders, persons in New Zealand, and New Zealand entities 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.

Financial institutions are further advised to consider the risks associated with each of the following jurisdictions that have not made sufficient progress in addressing strategic AML/CFT deficiencies, or have not committed to an action plan developed with the FATF to address the deficiencies:

- Bolivia, Cuba, Ecuador, Ethiopia, Ghana, Indonesia, Kenya, Myanmar, Nigeria, Pakistan, São Tomé and Príncipe, Sri Lanka, Syria, Tanzania, Thailand, Turkey, Vietnam, Yemen.

In addition the FATF has identified the following jurisdictions as not making sufficient progress since being identified in the Public Statement of June 2011:

- Kenya, Myanmar, Turkey.

If these jurisdictions do not take sufficient action to implement significant actions by October 2012, the FATF will call upon its members to apply countermeasures proportionate to the risks associated with the jurisdiction.

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

For more details concerning the specific deficiencies and risks associated with the jurisdictions listed above, financial institutions are advised to refer to the 22 June 2012 FATF [Public Statement](#).

Financial institutions are also advised to take note of an additional document updated by FATF on 22 June 2012: [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 jurisdictions identified in this document are:

- Afghanistan, Albania, Algeria, Angola, Antigua and Barbuda, Argentina, Bangladesh, Brunei Darussalam, Cambodia, Kuwait, Kyrgyzstan, Mongolia, Morocco, Namibia, Nepal, Nicaragua, Philippines, Sudan, Tajikistan, Trinidad and Tobago, Venezuela, Zimbabwe