



ADVISORY REGARDING FINANCIAL DEALINGS WITH LOCATIONS OF SPECIFIC CONCERN

23 February 2024

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

For all countries identified as high-risk, the Financial Action Task Force (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 ongoing money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country.

Accordingly, the Ministry of Justice and the Financial Intelligence Unit of the New Zealand Police advise entities¹ to give special attention to business relationships and transactions with the following jurisdictions:

Democratic People's Republic of Korea (DPRK), including DPRK countries and financial institutions.

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 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.

Financial institutions should 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, jurisdictions must 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.

Regarding DPRK, entities are further advised that New Zealand has given effect to a number of UNSC resolutions through the United Nations Sanctions (Democratic People's Republic of Korea) Regulations 2017. These regulations are complex and prohibit a wide range of dealings with DPRK, DPRK citizens, and DPRK companies. This includes (but is not limited to) restrictions on financial services, freezing assets, joint ventures, and banning the import of specific goods.

¹ Entities include 'reporting entities' as defined in section 5 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and 'financial institutions' as defined in section 3 of the Financial Transactions Reporting Act 1996.

Iran

In June 2016, Iran committed to address its strategic deficiencies. Iran's action plan expired in January 2018. Iran's action plan includes: (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.

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.

Given Iran's failure to enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, in February 2020, the FATF fully lifted the suspension of countermeasures and calls on its members and urges all jurisdictions to apply effective countermeasures, in line with Recommendation 19.

The Ministry of Justice and the Financial Intelligence Unit of the New Zealand Police recommend that entities remain aware of the ML/FT risks posed by Iran and apply relevant countermeasures listed in Recommendation 19. In the New Zealand context, the specific countermeasures are:

- financial institutions and designated non-financial businesses and professions (DNFBPs) should apply specific elements of enhanced due diligence for customers resident or incorporated in Iran;
- systematically reporting financial transactions to and from Iran (existing prescribed transaction reporting obligations are sufficient);
- financial institutions and DNFBPs should consider limiting business relationships or financial transactions with Iran or Iranian natural and legal persons;
- financial institutions and DNFBPs should not rely on third parties located in Iran to conduct elements of the customer due diligence process as Iran should be considered to have insufficient AML/CFT systems and measures in place;
- financial institutions that have correspondent relationships with financial institutions in Iran should review and amend, or if necessary, terminate, those relationships.

Regarding Iran, entities are further advised that UNSC Resolution 2231 (2015) provides for the termination of provisions of previous UNSC Resolutions regarding Iran and establishes new specific restrictions that apply to all States without exception. New Zealand has given effect to this resolution through the United Nations (Iran-Joint Comprehensive Plan of Action) Regulations 2016, which came into force on 19 February 2016.

The regulations removed the requirement for 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. However, restrictions remain on a number of activities involving Iran, Iranian nationals, and any Iranian entities, or people acting on behalf of Iran or Iranian entities. Restrictions include (but are not limited to) certain financial transactions, trade in nuclear-related material, equipment or technology; ballistic missile related technology; and conventional arms.

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 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. When applying enhanced due diligence measures, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are not disrupted.

Since October 2023, Myanmar took steps to prioritise inspection of certain DNFBP sectors on a risk basis, however 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.

OTHER JURISDICTIONS UNDER INCREASED MONITORING

Entities are also advised to take note of an additional document updated by the FATF: [Increased Monitoring February 2024](#). In this document the FATF has identified a number of jurisdictions that have strategic AML/CFT deficiencies. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring during the process.

Some jurisdictions have action plans that have fully or partially expired. Failure to meet the deadlines in their action plan indicates that the jurisdiction is not making significant progress in the time required and that the ML/TF/PF risks of the country are still present to a certain extent. Jurisdictions that fail to implement their action plans risk being blacklisted.

The jurisdictions identified in this document are listed in the table below.

Jurisdiction	Notes
Bulgaria	Bulgaria made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime and have taken steps towards improving its AML/CFT regime.
Burkina Faso	<p>Burkina Faso made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, and Burkina Faso has taken steps towards improving its AML/CFT regime, including by increasing TF investigations and prosecutions in line with its risk profile.</p> <p>The FATF notes Burkina Faso's continued progress across its action plan, however all deadlines have expired and work remains. The FATF urges Burkina Faso to swiftly implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines expired in December 2022.</p>
Cameroon	Cameroon made a high-level political commitment to work with the FATF and GABAC to strengthen the effectiveness of its AML/CFT regime. Cameroon has made progress on some of the MER's recommended actions by increasing the resources of the FIU and building the capacity of investigation authorities and judicial bodies to effectively conduct ML/TF cases. Cameroon will work to implement its FATF action plan prioritising seizure and confiscation of assets at the border.
Democratic Republic of Congo	The DRC made a high-level political commitment to work with the FATF and GABAC to strengthen the effectiveness of its AML/CFT regime. The DRC has taken steps towards improving its AML/CFT regime, including by finalising their three-year AML/CFT National Strategy. The DRC should continue to work to implement its FATF action plan to address its strategic deficiencies.
Croatia	Croatia made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime. Croatia has taken steps towards improving its AML/CFT regime, including by completing its national risk assessment. Croatia should continue to work on implementing its action plan to address its strategic deficiencies.
Haiti	Haiti made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. Haiti has taken steps towards improving its AML/CFT regime, including by facilitating information sharing with relevant foreign counterparts and addressing technical deficiencies in its ML offence, TF offence, and AML/CFT preventive measures. The FATF recognises the political commitment expressed at a high level and the efforts demonstrated by Haiti to advance its commitments in the midst

	<p>of the challenging social, economic and security situation within the country.</p> <p>The FATF notes Haiti's continued progress across its action plan, however all deadlines have now expired and work remains. The FATF encourages Haiti to continue to implement its action plan to address strategic deficiencies.</p>
Jamaica	<p>Jamaica made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. The FATF made the initial determination that Jamaica has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of the AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future.</p> <p>Jamaica has made key reforms.</p>
Kenya	<p>Kenya made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Kenya has made progress on some of the MER's recommended actions including by making amendments to its AML/CFT legislation to bring its framework in closer compliance with the FATF recommendations and establishing a case management system to better manage its international cooperation requests. Kenya will work to implement its FATF action plan.</p>
Mali	<p>Mali made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Mali has taken steps towards improving its AML/CFT regime, including by disseminating the results of its assessment of ML/TF risks associated with legal persons, conducting parallel financial investigations for terrorism cases and using other criminal justice measures when TF conviction is not possible, and strengthening its legal framework for targeted financial sanctions. Mali should continue to work on implementing its action plan to address its strategic deficiencies.</p> <p>The FATF notes Mali's continued progress across its action plan, however all deadlines have now expired and work remains. The FATF encourages Mali to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible.</p>
Mozambique	<p>Mozambique made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Mozambique has taken steps towards improving its AML/CFT regime, including by ensuring cooperation and coordination amongst relevant authorities to implement risk-based AML/CFT strategies, conducting training for all LEAs on mutual legal assistance, and conducting a comprehensive TF Risk Assessment. Mozambique should continue to work on implementing its action plan to address its strategic deficiencies.</p>
Namibia	<p>Namibia made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its</p>

	AML/CFT regime. Namibia has made progress on its MER's recommended actions to ensure a common understanding of ML/TF/PF risk across key stakeholders as well as improve international cooperation. Namibia will work to implement its FATF action plan.
Nigeria	Nigeria made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Nigeria has taken steps towards improving its AML/CFT regime, including by updating its national AML/CFT strategy and other relevant national strategies, establishing a mechanism to maintain comprehensive data on asset confiscation and conducting risk-based and targeted outreach to NPOs at risk of TF abuse. Nigeria should continue to work on implementing its action plan to address its strategic deficiencies.
Philippines	<p>The Philippines made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime, the Philippines has taken steps towards improving its AML/CFT regime, including by identifying and investigating TF cases. The Philippines should continue to work on implementing its action plan to address its strategic deficiencies.</p> <p>The FATF urges the Philippines to swiftly implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines expired in January 2023.</p>
Senegal	<p>Senegal made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Senegal has taken steps towards improving its AML/CFT regime, including by improving the detection of AML/CFT violations of FIs and DNFBPs, establishing an effective mechanism to maintain accurate and updated beneficial ownership information on legal persons, identifying and investigating TF activities, strengthening its targeted financial sanction regime, including by conducting outreach to FIs and DNFBPs on their obligations. Senegal should continue to work on implementing its action plan to address its strategic deficiencies.</p> <p>The FATF notes Senegal's continued progress across its action plan, however all deadlines have expired and work remains. The FATF urges Senegal to swiftly implement its action plan to address the above-mentioned strategic deficiencies as soon as possible as all deadlines expired in September 2022.</p>
South Africa	South Africa made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. South Africa has taken steps towards improving its AML/CFT regime including by addressing technical deficiencies in its targeted financial sanction regime related to terrorism financing, increasing the use of financial intelligence from FIC to support ML/TF investigations and increasing the resources of AML/CFT supervisors. South Africa should continue to work on implementing its action plan to address its strategic deficiencies.
South Sudan	South Sudan made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of

	<p>its AML/CFT regime. South Sudan has taken steps towards improving its AML/CFT regime, including by completing its ML/TF National Risk Assessment (NRA). South Sudan should continue to work to implement its action plan.</p> <p>The FATF notes South Sudan's limited progress across its action plan with all deadlines now expired and work remaining. The FATF again encourages South Sudan to continue to implement its action plan to address the strategic deficiencies as soon as possible and demonstrate strong political and institutional commitment to strengthen the effectiveness of its AML/CFT regime, particularly in supporting the lead AML/CFT agency in coordinating national AML/CFT efforts.</p>
Syria	<p>Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Syria has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Syria had substantially addressed its action plan at a technical level, including by criminalising terrorist financing and establishing procedures for freezing terrorist assets. While the FATF determined that Syria has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and will conduct an on-site visit at the earliest possible date.</p>
Tanzania	<p>Tanzania made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Tanzania has taken steps towards improving its AML/CFT regime, including by building the capacity of its LEAs to investigate and prosecute different types of ML cases through recruitment and training of new and existing staff, as well as addressing TFS technical deficiencies. Tanzania should continue to work on implementing its action plan to address its strategic deficiencies.</p>
Türkiye	<p>Türkiye made high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. The FATF made the initial determination that Türkiye has substantially completed its action plan and warrants an on-site assessment to verify the implementation of the AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future.</p> <p>Türkiye has made key reforms.</p>
Vietnam	<p>Vietnam made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime. Vietnam has made progress on some of the MER's recommended actions by joining the Asset Recovery Interagency Network Asia Pacific (ARIN-AP) and adopting a national action plan on AML/CFT/CPF. Vietnam will work to implement its FATF action plan.</p>
Yemen	<p>Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Yemen has made progress to improve its AML/CFT</p>

	<p>regime. The FATF determined that Yemen had substantially addressed its action plan at a technical level. While the FATF determined that Yemen has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and conduct an on-site visit at the earliest possible date.</p>
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The FATF does not call for the application of enhanced due diligence to be applied to these jurisdictions but encourages members to take into account the information presented in the document in their risk analysis.

New Zealand reporting entities should consider the risks emanating from these countries when conducting their risk assessment or assessing the risk of a specific customer or transaction. This may lead reporting entities to conclude that enhanced measures are required to mitigate the risk.

JURISDICTIONS NO LONGER SUBJECT TO INCREASED MONITORING BY THE FATF

- Barbados
- Gibraltar
- Uganda
- United Arab Emirates