



ADVISORY REGARDING FINANCIAL DEALINGS WITH LOCATIONS OF SPECIFIC CONCERN

3 March 2023

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 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.

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:

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

In addition to enhanced scrutiny, jurisdictions are advised to apply effective counter-measures and targeted financial sanctions in accordance with applicable United Nations Security Council (UNSC) Resolutions to protect their financial sectors from risks related to money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction 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.

Iran

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.

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.

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 counter-measures and calls on its members and urges all jurisdictions to apply effective counter-measures, 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 counter-measures listed in Recommendation 19. In the New Zealand context, the specific counter-measures 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.

Refer to the [Ministry of Foreign Affairs and Trade website](#) and [the FATF's public statement](#) for more detail.

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.

OTHER JURISDICTIONS UNDER INCREASED MONITORING

Entities are also advised to take note of an additional document updated by the FATF on October 2022: <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-october-2022.html>.² 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.

We have also identified jurisdictions which action plans 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 actions plans risk being blacklisted.

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

Jurisdiction	Date of listing	Notes
Albania	February 2020	Albania failed to complete its action plan, which fully expired in February 2022. The FATF has now made the initial determination that Albania has substantially completed its action plan and appreciates Albania's work to address its strategic deficiencies. However, the FATF has not yet decided to authorise an on-site visit to the country to verify the implementation of Albania's AML/CFT reforms. This is because the FATF remains concerned that Albania's apparent plans to establish a Voluntary Tax Compliance (VTC) programme do not comply with the FATF's principles for managing the AML/CFT implications of VTC programmes or FATF's best practices in this area.
Barbados	February 2020	The FATF expresses concern that Barbados failed to complete its action plan, which fully expired in April 2022. The FATF strongly urges Barbados to swiftly demonstrate significant progress in completing its action plan by June 2023 or the FATF will consider next steps if there is insufficient progress
Burkina Faso	February 2021	Burkina Faso has taken steps towards improving its AML/CFT regime, including by strengthening its efforts to pursue confiscation as a policy objective. Burkina should continue to work on a number of strategic deficiencies outlined by the FATF.
Cayman Islands	February 2021	The FATF expresses concern that the Cayman Islands failed to complete its action plan, which fully expired in May 2022. The FATF strongly urges the Cayman Islands to swiftly demonstrate significant progress in completing its action plan by June 2023 or the FATF will consider next steps if there is insufficient progress.
The Democratic Republic of the Congo	October 2020	Since the adoption of its MER in October 2020, the DRC has made progress on some of the MER's recommended actions. The DRC will continue to work on its strategic deficiencies.
Gibraltar	June 2022	Gibraltar has made progress on a significant number of its MER's recommended actions, and should continue to work on implementing its action plan.
Haiti	June 2021	The FATF recognises the political commitment expressed at a high level and the efforts demonstrated by Haiti to advance its commitments in the midst of the challenging social, economic and security situation within the country. Haiti should continue to work on implementing its action plan to address its strategic deficiencies
Jamaica	February 2020	The FATF again expresses concern that Jamaica failed to complete its action plan, which fully expired in January 2022. The

² Previously called "Improving Global AML/CFT Compliance: On-going Process" and often referred to externally as the 'grey list'.

Jurisdiction	Date of listing	Notes
		FATF strongly urges Jamaica to swiftly demonstrate significant progress in completing its action plan by June 2023 or the FATF will consider next steps, which could include calling on its members and urging all jurisdictions to apply enhanced due diligence to business relations and transactions with Jamaica.
Jordan	October 2021	Jordan has taken positive steps towards improving its AML/CFT regime, including by conducting inspections of reporting entities including FIs and DNFBPs, pursuing money laundering investigations and prosecutions for predicate offences in line with its risk profile, and conducting outreach on TFS obligations. The FATF urges Jordan to continue to work on implementing its action plan to address its strategic deficiencies
Mali	October 2021	Mali has taken steps towards improving its AML/CFT regime, including by conducting AML/CFT trainings for FIs and DNFBPs and enhancing the FIU and LEAs cooperation mechanisms on the use of financial intelligence. The FATF urges Mali to continue to work on implementing its action plan to address its strategic deficiencies,
Mozambique	October 2022	Mozambique has been added to the list. Since the adoption of its MER in April 2021, Mozambique has made progress on some of the MER's recommended actions to improve its system.
NIGERIA	February 2023	Since the adoption of its MER in August 2021, Nigeria has made progress on some of the MER's recommended actions to improve its system including by improving its AML/CFT legislative framework, updating its assessment of inherent ML/TF/PF risks and strengthened its implementation of targeted financial sanctions. Nigeria will work to implement its FATF action plan
Panama	June 2019	The FATF again expresses concern that Panama failed to complete its action plan, which fully expired in January 2021. The FATF strongly urges Panama to swiftly complete its action plan by June 2023 or the FATF will consider calling on its members and urging all jurisdictions to apply enhanced due diligence to business relations and transactions with Panama.
Philippines	June 2021	The FATF notes the Philippines' continued progress across its action plan, however all deadlines have now expired and work remains. The FATF encourages the Philippines to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible.
Senegal	February 2021	The FATF notes Senegal's continued progress across its action plan, however all deadlines have now 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.
SOUTH AFRICA	February 2023	Since the adoption of its MER in June 2021, South Africa has made significant progress on many of the MER's recommended actions to improve its system including by developing national AML/CFT policies to address higher risks and newly amending the legal framework for TF and TFS, among others. South Africa will work to implement its FATF action plan
South Sudan	June 2021	The FATF notes South Sudan's limited progress across its action plan. The FATF again encourages South Sudan to continue to demonstrate its 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.
Syria	February 2010	In June 2014, the FATF determined that Syria has completed its action plan. Due to the security situation, the FATF has been

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		unable to conduct an on-site visit to confirm reforms have begun and are sustained.
Tanzania	April 2021	Tanzania will work to implement its FATF action plan.
Türkiye	October 2021	Türkiye has taken further steps towards improving its AML/CFT regime, including by issuing regulations regarding politically exposed persons and guidance to the private sector on detecting terrorist financing, as well as increasing the FIU's proactive dissemination of financial intelligence. Türkiye should continue to work on implementing its action plan to address its strategic deficiencies
Uganda	February 2020	The FATF expresses concern that Uganda failed to complete its action plan, which fully expired in May 2022. The FATF strongly urges Uganda to swiftly demonstrate significant progress in completing its action plan by June 2023 or the FATF will consider next steps if there is insufficient progress.
United Arab Emirates	March 2022	The FATF urges UAE to continue to work to implement its FATF action plan.
Yemen	February 2010	In June 2014, the FATF determined that Yemen has completed its action plan. Due to the security situation, the FATF has been unable to conduct an on-site visit to confirm reforms have begun and are sustained.

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 REVIEW

The FATF has recognised the significant progress **Cambodia** and **Morocco** have made in addressing the strategic AML/CFT deficiencies identified earlier by the FATF and included in their action plan. These jurisdictions will no longer be subject to the FATF's increased monitoring process.