



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B10/21C

10 March 2021

The Chief Executive
All Stored Value Facility Licensees

Dear Sir/Madam,

Statements issued by the Financial Action Task Force

I am writing to update you on the statements published by the Financial Action Task Force (FATF) identifying jurisdictions that have strategic deficiencies in their anti-money laundering and counter-financing of terrorism (AML/CFT) and counter proliferation financing regimes, and also draw your attention to a number of outcomes from the FATF Plenary meeting held virtually on 22, 24 and 25 February 2021.

Statements on “High-Risk Jurisdictions subject to a Call for Action” and “Jurisdictions under Increased Monitoring”

In response to the COVID-19 pandemic, the FATF decided on a general pause in the review process for the list of “high-risk jurisdictions subject to a call for action”. Stored value facility (SVF) licensees should therefore continue to refer to the HKMA circular on “Statements issued by the Financial Action Task Force” dated 11 March 2020, in particular, applying the enhanced due diligence measures and other counter-measures in relation to Iran and the Democratic People’s Republic of Korea.

In addition, the FATF has issued an updated statement on “Jurisdictions under Increased Monitoring”. The statement can be found at: <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-february-2021.html>.

FATF Virtual Plenary, 22, 24 and 25 February 2021

The outcomes of the FATF Plenary, some of which may be of reference to SVF licensees, were published on the FATF website and can be found at <https://www.fatf-gafi.org/publications/fatfgeneral/documents/outcomes-fatf-plenary-february-2021.html>.

In particular, the FATF is developing Guidance to help both public and private sectors in implementing new requirements to identify, assess, understand and mitigate proliferation financing risk as defined in Recommendation 1 and its Interpretive Note. The Guidance aims to assist both public and private sectors in conducting a risk assessment in the context of proliferation financing, and applying corresponding risk mitigation measures. The FATF is consulting private sector stakeholders before finalising the Guidance, and response on the draft Guidance to be submitted to the FATF by 9 April 2021. Further information on the public consultation on FATF Guidance on Proliferation Financing Risk Assessment and Mitigation can be found at <http://www.fatf-gafi.org/publications/fatfgeneral/documents/public-consultation-proliferation-financing-risk.html>.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)