



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B10/21C

9 March 2023

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 between 22 and 24 February 2023.

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

- (1) **Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures**

Iran and Democratic People’s Republic of Korea (DPRK)

Stored value facility (SVF) licensees should 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 countermeasures in relation to Iran and DPRK.

- (2) **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

The FATF determined that Myanmar will remain on the list of countries subject to a call for action until it fully addresses its AML/CFT deficiencies. SVF licensees should therefore continue to apply enhanced due diligence measures¹,

¹ See paragraph 4.13.1 of Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Stored Value Facility Licensees) revised in September 2020.

proportionate to the risks involved, to business relationships and transactions with natural and legal persons from Myanmar.

(3) Jurisdictions under Increased Monitoring

The FATF has issued an updated statement on “Jurisdictions under Increased Monitoring”. The statement can be found at: <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-february-2023.html>

FATF Plenary meeting, 22-24 February 2023

A number of outcomes were achieved in the FATF Plenary meeting, some of which may be of interest or relevance to SVF licensees, including the adoption of (i) amendments to Recommendation 25 on beneficial ownership of legal arrangements; (ii) guidance on implementation of the revised requirements of Recommendation 24 on beneficial ownership of legal persons; and (iii) a report on disrupting the financial flows from ransomware. A summary of the outcomes can be found at: <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfgeneral/outcomes-fatf-plenary-february-2023.html>.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)