



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B10/14C
B1/15C

6 July 2023

The Chief Executive
All Authorized Institutions

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 21 and 23 June 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)

Authorized Institutions (AIs) 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 its full action plan is completed. AIs should therefore continue to apply enhanced due diligence measures¹, proportionate to the risks

¹ See paragraph 4.15.1 of Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Authorized Institutions) revised in May 2023.

involved, to business relationships and transactions with natural and legal persons from Myanmar. The statement can be found at: <https://www.fatf-gafi.org/en/publications/Fatfgeneral/Call-for-action-June-2023.html>.

(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/Fatfgeneral/Increased-monitoring-june-2023.html>.

FATF Plenary meeting, 21-23 June 2023

The outcomes of the FATF Plenary meeting were published on the FATF website and can be found at: <https://www.fatf-gafi.org/en/publications/Fatfgeneral/outcomes-fatf-plenary-june-2023.html>. In particular, the FATF has published its fourth targeted update on implementation of the FATF Standards on virtual assets and virtual asset service providers² regarding implementation of relevant AML/CFT measures, including the travel rule, and providing updates on emerging risks in this area. The FATF will continue to monitor market trends for developments that may necessitate further work.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)

² The report can be found at: <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/targeted-update-virtual-assets-vasps-2023.html>.