



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B10/21C

11 July 2024

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 26 and 28 June 2024.

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 its full action plan is completed. SVF licensees should therefore continue to apply enhanced due diligence measures¹, proportionate to the risks involved, to business relationships and transactions with natural and

¹ See paragraph 4.13.1 of Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Stored Value Facility Licensees) revised in May 2023.

legal persons from Myanmar. The statement can be found at: <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-june-2024.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/High-risk-and-other-monitored-jurisdictions/increased-monitoring-june-2024.html>.

FATF Plenary meeting, 26-28 June 2024

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-2024.html>. In particular, the FATF finalised its fifth targeted update on implementation of the FATF Standards on virtual assets and virtual asset service providers regarding implementation of relevant AML/CFT measures. The FATF will continue to monitor market trends for material developments that may necessitate further work. The report will be published in the coming weeks.

Separately, the FATF discussed the outcomes of its public consultation on Recommendation 16 on payment transparency and agreed to undertake further dialogue with stakeholders in both the public and private sectors before finalising the amendments given the complexity of the requirements and the potential impact on payment systems. The HKMA will continue to participate in the discussion and will update industry of the developments where appropriate.

Yours faithfully,

Raymond Chan
Executive Director (Enforcement and AML)