



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B10/21C

7 November 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 25 and 27 October 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 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-october-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/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-october-2023.html>.

FATF Plenary meeting, 25-27 October 2023

The outcomes of the FATF Plenary meeting were published on the FATF website and can be found at: <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfgeneral/outcomes-fatf-plenary-october-2023.html>. In particular, the FATF adopted amendments to Recommendation 8 and finalised the updated Best Practices Paper on Combating the Abuse of Non-profit Organisations, which will be published in the coming weeks, to assist jurisdictions and the private sector to implement the revised requirements. SVF licensees should refer to the range of initiatives set out in the Best Practices Paper to support access of legitimate non-profit organisations to financial services.

Separately, the FATF adopted a report on Illicit Financial Flows from Cyber-Enabled Fraud. The report, which will be published soon, highlights successful national operational responses and strategies in tackling cyber-enabled fraud, as well as risk indicators and useful anti-fraud requirements and controls to help jurisdictions and the private sector detect and prevent cyber-enabled fraud and related money laundering. SVF licensees are reminded to also refer to the HKMA circular issued on 12 October 2023 on the enhanced approaches to combat digital fraud in the Hong Kong context.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)