

**COMMISSION de SURVEILLANCE  
du SECTEUR FINANCIER**

**OUTDATED**

In case of discrepancies between the French and the English text, the French text shall prevail

Luxembourg, 22 April 2009

To all the persons and companies  
under the supervision of the CSSF

**CIRCULAR CSSF 09/399**

**Re:** FATF Plenary, statement in respect of Iran, Uzbekistan, Turkmenistan, Pakistan, São Tomé and Príncipe; statements of MONEYVAL in respect of Azerbaijan

Ladies and Gentlemen,

We are pleased to draw your attention to the statement released by the Financial Action Task Force (“FATF”) Plenary of February on the countries below:

**IRAN**

The FATF welcomes Iran's initial engagement with the international community on money laundering. However, the FATF remains concerned by Iran's failure to meaningfully address the ongoing and substantial deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime. The FATF remains particularly concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system. The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalising terrorist financing and effectively implementing suspicious transaction reporting requirements.

The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. Jurisdictions should also protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and take into account ML/FT risks when considering requests by Iranian banks to open branches and subsidiaries in their jurisdiction.

The FATF remains prepared to engage directly in assisting Iran to address its AML/CFT deficiencies, including through the FATF Secretariat.

#### **UZBEKISTAN**

The FATF welcomes the process undertaken by Uzbekistan to adopt AML/CFT measures within a specific timeframe. Nevertheless, given that concrete measures to address the identified deficiencies have not yet been implemented, the FATF reiterates its statement of 16 October 2008, calling on its members and urging all jurisdictions to strengthen preventive measures to protect their financial sectors from the ML/FT risk emanating from Uzbekistan.

#### **TURKMENISTAN**

Despite a prolonged dialogue with the FATF and other international institutions, Turkmenistan has not yet made progress in adopting AML legislation. Financial institutions should remain aware that the lack of an AML/CFT regime in Turkmenistan constitutes an ML/FT vulnerability in the international financial system and should take appropriate measures to address this risk.

Turkmenistan is urged to adopt without further delay a comprehensive AML/CFT regime that meets international AML/CFT standards. Turkmenistan is encouraged to continue to work closely with the Eurasian Group and the International Monetary Fund to achieve this.

#### **PAKISTAN**

The FATF reaffirms its public statement of 28 February 2008 regarding the ML/FT risks posed by Pakistan. The FATF welcomes the process underway in Pakistan to improve its AML/CFT regime. The FATF encourages Pakistan to continue to fully co-operate with the World Bank and the Asia Pacific Group on Money Laundering (APG) on its mutual evaluation process.

#### **SÃO TOMÉ AND PRÍNCIPE**

The FATF welcomes São Tomé and Príncipe's recent steps toward addressing identified AML deficiencies, in particular, through the adoption of an AML law in November 2008. The FATF urges São Tomé and Príncipe to address the remaining AML/CFT deficiencies, particularly relating to terrorist financing.

On the basis of the above FATF statement, we advise you to take the risks arising from the deficiencies in the above countries' AML/CFT regime into account for enhanced due diligence.

As far as Iran is concerned, we require you to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions, by treating these business relationships and transactions as particularly likely to fall under the scope of the law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, and by applying enhanced customer due diligence and monitoring measures.

Finally, we would like to draw your attention on the statements of the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) of 20 March 2009 and 12 December 2008 in respect of AZERBAIJAN. MONEYVAL thus calls on its Member States and the other countries to advise their financial institutions to pay special attention by applying enhanced due diligence to transactions with persons and financial institutions from or in Azerbaijan in order to address the ML/CFT risks.

The statement of the FATF (as well as the Chairman's Summary) and that of MONEYVAL are available on the website <http://www.fatf-gafi.org>.

This Circular replaces Circular CSSF 08/355.

Yours faithfully,

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

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