

**COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER**

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

Luxembourg, 21 February 2012

To all entities under the
supervision of the CSSF

CIRCULAR CSSF 12/532

Re: FATF statements concerning

- (1) jurisdictions whose anti-money laundering and combating the financing of terrorism regimes have substantial and strategic deficiencies;**
- (2) jurisdictions not making sufficient progress;**
- (3) jurisdictions whose anti-money laundering and combating the financing of terrorism regimes are not satisfactory.**

Ladies and Gentlemen,

We are pleased to draw your attention to the statements of the Financial Action Task Force ("FATF") Plenary of February 2012 concerning the anti-money laundering and combating the financing of terrorism ("AML/CFT") regimes of certain jurisdictions.

1) Jurisdictions whose anti-money laundering and combating the financing of terrorism regimes have substantial and strategic deficiencies

The FATF reconfirms that the AML/CFT regimes of **Iran** and the **Democratic People's Republic of Korea** ("DPRK") continue to have substantial and strategic deficiencies and maintains the application of counter-measures against Iran and the DPRK.

We therefore require you to take into account the risks arising from the deficiencies of the AML/CFT regimes of these jurisdictions and to give special attention to business relationships and transactions with these jurisdictions, including companies and financial institutions from Iran or DPRK.

We remind you to apply in these cases, as well as in correspondent banking relationships, enhanced due diligence and monitoring measures. Moreover, we invite you to reinforce the mechanisms for reporting to the Financial Intelligence Unit ("FIU") of the State Prosecutor's office of the Luxembourg district court.

2) Jurisdictions whose progress regarding AML/CFT is not sufficient

As regards the following jurisdictions, the FATF considers that the efforts made to remedy the AML/CFT deficiencies are not sufficient:

Bolivia, Cuba¹, Ethiopia, Ghana, Indonesia, Kenya, Myanmar, Nigeria, Pakistan, São Tomé and Príncipe, Sri Lanka, Syria, Tanzania, Thailand and Turkey.

We therefore invite you to take into account the deficiencies identified by the FATF in its statements as regards the regimes of these countries and the risks arising from these deficiencies for your business relationships and transactions with these jurisdictions.

3) Jurisdictions whose anti-money laundering and combating the financing of terrorism regimes are not satisfactory

The FATF declared that the AML/CFT regimes of the following jurisdictions are not satisfactory:

Algeria, Angola, Antigua and Barbuda, Argentina, Bangladesh, Brunei Darussalam, Cambodia, Ecuador, Kyrgyzstan, Mongolia, Morocco, Namibia, Nepal, Nicaragua, Philippines, Sudan, Tajikistan, Turkmenistan, Trinidad and Tobago, Venezuela, Vietnam, Yemen and Zimbabwe.

You are therefore invited to take into account the deficiencies identified by the FATF in its statements and the risks arising from them for the business relationships and transactions with these jurisdictions.

As regards some jurisdictions, please note that the FATF considers to identify them as jurisdictions whose progress regarding AML/CFT is not sufficient if they do not take efficient measures until the next FATF Plenary in June 2012. The jurisdictions concerned are the following: **Ecuador, Philippines, Vietnam and Yemen.**

Please note also that, following the substantial efforts made by *Paraguay* and *Honduras*, the latter are no longer subject to FATF's monitoring process in the framework of the list relating to the jurisdiction whose AML/CFT regimes are not satisfactory.

¹ Cuba has not engaged with the FATF in the process.

Please refer to FATF's full statements on the website www.fatf-gafi.org.

It should be noted that the above-mentioned reviews, carried out by the FATF, are based on the 40+9 Recommendations which precede their new version adopted on 16 February 2012. Consequently, the references to the recommendations are those dating from 2003.

This circular replaces Circular CSSF 11/525 of 4 November 2011.

Yours faithfully,

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

Claude SIMON
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