

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

Luxembourg, 25 February 2016

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

CIRCULAR CSSF 16/634

- Re:** FATF statements concerning
- 1) **jurisdictions whose anti-money laundering and combating the financing of terrorism regime has substantial and strategic deficiencies;**
 - 2) **jurisdictions not making sufficient progress;**
 - 3) **jurisdictions whose anti-money laundering and combating the financing of terrorism regime is not satisfactory.**

Ladies and Gentlemen,

The Financial Action Task Force ("FATF") Plenary of February 2016 issued statements on the following topics:

- 1) Jurisdictions whose anti-money laundering and combating the financing of terrorism ("AML/CFT") regime has substantial and strategic deficiencies and that are subject to an FATF call on its members and other jurisdictions to apply counter-measures

The FATF reiterates its position 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 Iran and the DPRK and to give special attention to business relationships and transactions with these two jurisdictions, including companies and financial institutions from these jurisdictions.

We require you to apply in these cases, as well as in correspondent banking relationships, enhanced due diligence and monitoring measures in order to avoid these business relationships being used to bypass or evade the application of enhanced measures and counter-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.

As regards Iran, it has to be noted that if this country does not take concrete steps to continue to improve its AML/CFT regime, the FATF will consider calling its members and urging all jurisdictions to strengthen counter-measures at the next plenary in June 2016.

2) Jurisdictions not making sufficient progress

Following the withdrawal of Burma/Myanmar from the list of jurisdictions not making sufficient progress (and its inclusion in the list 3) below), there is currently no country on the list of jurisdictions not making sufficient progress.

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

The following jurisdictions have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF to address the deficiencies:

Afghanistan, Bosnia and Herzegovina, Burma/Myanmar, Guyana, Iraq, Lao People's Democratic Republic, Papua New Guinea, Syria, Uganda, Vanuatu and Yemen.

Therefore, we invite you to consider, where appropriate, the deficiencies identified by the FATF in its statements and the risks arising from them for your business relationships and transactions with these jurisdictions.

Please note also that, following the substantial efforts made by **Algeria, Angola and Panama**, these jurisdictions are no longer subject to the FATF's monitoring process but will continue working with the relevant FATF-style regional bodies.

Please refer to the FATF's full decisions and statements at the following addresses:

- <http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/public-statement-february-2016.html>
- <http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/fatf-compliance-february-2016.html>

This circular repeals Circular CSSF 15/623 of 26 October 2015.

Yours faithfully,

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

Claude SIMON Simone DELCOURT Claude MARX

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