

Annex of Circular CSSF 22/822 (Version of 26 June 2023)

I. High-risk jurisdictions on which enhanced due diligence and, where appropriate, counter-measures are imposed

Jurisdiction	Description	Required measures
<p>Since February 2020, in response to the COVID-19 pandemic, the FATF adopted a general pause in the review process of the Democratic People's Republic of Korea and Iran, jurisdictions on which enhanced due diligence and counter-measures are imposed. The measures against Myanmar remain unchanged since October 2022.</p>		
Democratic People's Republic of Korea ("DPRK")	<p>The FATF maintains its position that the AML/CFT regime of the DPRK continues to have substantial and strategic deficiencies and maintains its call to apply <b>counter-measures</b> against the DPRK. Moreover, the FATF reiterates that the jurisdictions must take measures to close existing subsidiaries, branches or representative offices of DPRK banks, where applicable, within their respective territories.</p>	<p>Professionals continue <b>taking into account the risks</b> arising from the deficiencies of the AML/CFT regimes, including the fight against the financing of weapons of mass destruction proliferation, of the DPRK and to give special attention to business relationships and transactions with this jurisdiction, including with companies and financial institutions from this jurisdiction and those acting on their behalf. Professionals apply in these cases <b>enhanced due diligence and monitoring measures</b> in order to <b>avoid</b> these business relationships <b>being used to bypass or evade</b> the application of enhanced measures and counter-measures.</p> <p>Professionals inform the CSSF in case of a <b>correspondent banking relationship</b> with a credit institution from the DPRK.</p> <p>Professionals maintain <b>enhanced mechanisms for reporting suspicious activity</b> to the Financial Intelligence Unit ("FIU").</p>
Iran	<p>In June 2016, Iran made a political commitment to address its strategic AML/CFT deficiencies. The Action Plan set by the FATF has expired while the remaining deficiencies had not been fully addressed yet. The FATF required in its October 2019 Plenary meeting i) the implementation of increased supervision with respect to subsidiaries and branches of financial institutions based in Iran, ii) the application of enhanced control measures, including enhanced mechanisms for reporting suspicious transactions or systematic reporting of financial transactions, as well as iii) increased external audit for financial groups with respect to their subsidiaries and branches located in Iran.</p> <p>Since Iran has not fully addressed the remaining deficiencies, the FATF requires the implementation of <b>counter-measures</b> that are effective and proportionate to the risks emanating from this jurisdiction. In particular, until Iran implements the measures required to address the deficiencies identified in the Action Plan, the FATF remains concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system.</p> <p>The FATF will assess the progress made by Iran and take appropriate measures by deciding, as the case may be, to reintroduce the suspension of counter measures. Iran will remain on this list until the full Action Plan has been accomplished.</p>	<p>Professionals continue <b>taking into account the risks</b> arising from the strategic deficiencies of the AML/CFT regime of Iran and to give special attention to business relationships and transactions with this jurisdiction, including with companies and financial institutions from this jurisdiction and those acting on their behalf.</p> <p>Professionals apply in these cases, as well as in correspondent banking relationships, <b>enhanced due diligence and monitoring measures</b> with respect to these business relationships in order to <b>avoid</b> these business relationships <b>being used to bypass or evade</b> the application of enhanced measures and counter-measures.</p> <p>Professionals <b>increase the number and timing of controls</b> applied, select patterns of transactions that need further examination and obtain information, particularly, on the reasons for the intended transactions.</p> <p>Professionals <b>inform the CSSF</b> in case of a correspondent banking relationship with a credit institution from Iran and (ii) in case of use of a third party located in Iran and conducting elements of the due diligence process (third-party introducers and/or outsourcing). Professionals maintain <b>enhanced mechanisms for reporting suspicious activity</b> to the FIU.</p>
Myanmar	<p>In February 2020, Myanmar committed to address its strategic deficiencies. As Myanmar's action plan expired in September 2021 and given the continued lack of progress and the fact that the majority of the action items have not been addressed, the FATF required at its October 2022 Plenary meeting the application of enhanced due diligence measures proportionate to the risks arising from Myanmar, while ensuring that these measures do not disrupt the flows of funds for humanitarian assistance, legitimate non-profit organisations activity and remittance services. Myanmar will remain on the list of countries subject to a call for action until its action plan is fully completed.</p>	<p>Professionals <b>take into account the risks</b> arising from the strategic deficiencies of the AML/CFT regime of Myanmar and give special attention to business relationships and transactions with this jurisdiction, including with companies and financial institutions from this jurisdiction and those acting on their behalf.</p> <p>Professionals maintain <b>enhanced mechanisms for reporting suspicious activity</b> to the FIU.</p>

II. Jurisdictions under increased monitoring of the FATF

Jurisdiction	Required measures
<p>The following jurisdictions currently have strategic ML/TF/PF deficiencies for which they have developed an Action Plan with the FATF to address the deficiencies (the newly added countries are underlined)</p>	
<p>Albania</p> <p>Barbados</p> <p>Burkina Faso</p> <p><u>Cameroon</u></p> <p>Cayman Islands</p> <p><u>Croatia</u></p> <p>Democratic Republic of Congo</p> <p>Gibraltar</p> <p>Haiti</p> <p>Jamaica</p> <p>Jordan</p> <p>Mali</p> <p>Mozambique</p> <p>Nigeria</p> <p>Panama</p> <p>Philippines</p> <p>Senegal</p> <p>South Africa</p> <p>South Sudan</p> <p>Syria</p> <p>Tanzania</p> <p>Türkiye</p> <p>Uganda</p> <p>United Arab Emirates</p> <p><u>Vietnam</u></p> <p>Yemen</p>	<p>Professionals consider the deficiencies identified by the FATF in its statements and the risks arising from them for their business relationships and transactions with these jurisdictions.</p>