

**COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER**

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

Luxembourg, 23 October 2013

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

CIRCULAR CSSF 13/573

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 October 2013 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 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 Iran or DPRK and to give special attention to business relationships and transactions with these 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.

2) Jurisdictions not making sufficient progress

This list concerns the jurisdictions with strategic AML/CFT deficiencies and that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies:

Algeria, Ecuador, Ethiopia, Indonesia, Kenya, Myanmar, Pakistan, Syria, Tanzania, Turkey and Yemen.

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

As regards **Ecuador**, the FATF considers that the jurisdiction has not made sufficient progress since it was identified in the FATF public statement. If this jurisdiction does not take significant measures in order to improve its AML/CFT regime before February 2014, the FATF will consider calling on its members to apply counter-measures proportionate to the risks associated with this jurisdiction.

São Tomé and Príncipe which was previously identified in this group of jurisdictions, is no longer on this list. Despite its recent progress, the AML/CFT regime of São Tomé and Príncipe still has a certain number of strategic deficiencies. Given the small size of the financial sector in this country and its weak impact on the international financial system, the FATF decided that São Tomé and Príncipe should continue to work closely with the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) to address the remaining AML/CFT deficiencies.

In light of the efforts made by **Vietnam**, this jurisdiction is henceforth monitored in the framework of the jurisdictions whose AML/CFT regime is not satisfactory (cf. list under 3) below).

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, Albania, Angola, Antigua and Barbuda, Argentina, Bangladesh, Cambodia, Cuba, Iraq, Kuwait, Kyrgyzstan, Laos, Mongolia, Namibia, Nepal, Nicaragua, Sudan, Tajikistan, Vietnam and Zimbabwe.

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.

As regards **Mongolia**, the FATF considers identifying it as a jurisdiction whose progress regarding AML/CFT is not sufficient (list under 2) above) if it does not take efficient measures until the next FATF Plenary in February 2014.

Please also note that following the substantial efforts demonstrated by **Morocco** and **Nigeria**, these jurisdictions are no longer subject to the FATF's monitoring process.

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

<http://www.fatf-gafi.org/documents/documents/fatf-public-statement-oct-2013.html>

<http://www.fatf-gafi.org/documents/documents/fatf-compliance-oct-2013.html>

This circular repeals Circular CSSF 13/567 of 27 June 2013.

Yours faithfully,

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

Claude SIMON
Director

Andrée BILLON
Director

Simone DELCOURT
Director

Jean GUILL
Director General