



HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

28 Feb 2001

Financial Action Task Force Identification of Non-cooperative Countries/Territories

28 February, 2001

Our Ref.: B10/1C

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Financial Action Task Force Identification of Non-cooperative Countries/Territories

As part of the international efforts to combat money laundering, the Financial Action Task Force on Money Laundering (FATF) ([Note 1](#)) is in the process of assessing/identifying countries/territories which have detrimental rules and practices that impede international cooperation in the fight against money laundering. Thus far, this has resulted in 15 countries/territories being named as "Non-Cooperative Countries/Territories" (NCCTs). These are:-

- Bahamas
- Cayman Islands
- Cook Islands
- Dominica
- Israel
- Lebanon
- Liechtenstein
- Marshall Islands
- Nauru
- Niue
- Panama
- Philippines
- Russia
- St. Kitts and Nevis
- St. Vincent and the Grenadines

Having considered the progress of the actions taken by these countries/territories to remedy their detrimental practices, the FATF recommends that institutions in member countries/territories should apply Recommendation 21 of the Forty Recommendations ([Note 2](#)) to the above countries/territories. This states that:-

"Financial institutions should give special attention to business relations and transactions with persons, including companies and financial institutions, from countries which do not or insufficiently apply these Recommendations. Whenever these transactions have no apparent economic or visible lawful purpose, their background and purpose should, as far as possible, be examined, the findings established in writing, and be available to help supervisors, auditors and law enforcement agencies."

Authorised institutions in Hong Kong are advised to comply with the above by giving special attention to business relations and transactions with persons, including companies and financial institutions, from the above countries/territories. Consideration will be given to amending the HKMA Guideline on Prevention of Money Laundering in due course.

The FATF will review the NCCT list from time to time. Advice of the changes will be provided by similar advisory in due course. If you have any questions, please contact Ms. Maggie Leong, Senior Manager, at 2878 1912.

Yours faithfully,

Simon Topping
Executive Director (Banking Policy)

c.c. Chairman, The Hong Kong Association of Banks
Chairman, The DTC Association

Note 1: FATF is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering. FATF currently consists of 29 countries/territories and two international organisations: Argentina; Australia; Austria; Belgium; Brazil; Canada; Denmark; Finland; France; Germany; Greece; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; Singapore; Spain; Sweden; Switzerland; Turkey; the United Kingdom, the United States; the European Commission; and Gulf Cooperation Council.

Note 2: The Forty Recommendations were promulgated by the FATF as standards and international best practices in countering money laundering. All members of the FATF, including Hong Kong, China, are encouraged to adopt these measures to help combat money laundering.

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