Circulars

23 Oct 2008

Statement issued by the Financial Action Task Force on Money Laundering

Our Ref.: B10/1C

23 October 2008

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Statement issued by the Financial Action Task Force on Money Laundering

I am writing to inform you that the Financial Action Task Force on Money Laundering (FATF) issued, on 16 October 2008, an updated statement on Iran, Uzbekistan, Turkmenistan, Pakistan, São Tomé and Príncipe and the northern part of Cyprus. The statement can be found on the FATF's website (http://www.fatf-gafi.org).

In the statement, the FATF calls on its members, and urges all jurisdictions, to strengthen preventive measures to protect their financial sectors from the risks emanating from Iran and Uzbekistan to the integrity of the international financial system. It also asks financial institutions to be aware that the lack of an anti-money laundering (AML) and counter the financing of terrorism (CFT) regime in Turkmenistan constitutes a money laundering/terrorist financing vulnerability in the international financial system.

In addition, the FATF reaffirms its statement of 28 February 2008 regarding the money laundering/terrorist financing risks posed by Pakistan and São Tomé and Príncipe. It also welcomes the improvement made by the northern part of Cyprus to its AML/CFT system.

Authorized institutions (AIs) should treat transactions associated with Iran and Uzbekistan as of higher AML/CFT risk and subject them to increased scrutiny and enhanced due diligence. AIs should also pay attention to transactions associated with Turkmenistan, Pakistan and São Tomé and Príncipe and take into account in their customer due diligence processes the AML/CFT risks of these jurisdictions as presented in the FATF statements.

Yours faithfully,

Karen Kemp
Executive Director (Banking Policy)