HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

13 Mar 2009

Statement issued by the Financial Action Task Force on Money Laundering

Our Ref.: B10/1C

13 March 2009

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 25 February 2009, an updated statement on Iran, Uzbekistan, Turkmenistan, Pakistan and São Tomé and Príncipe. The statement can be found on the FATF's website (http://www.fatf-gafi.org).

Iran

In the statement, the FATF urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran including Iranian companies and financial institutions. In addition to enhanced scrutiny, financial institutions should be required to take steps to prevent their correspondent relationships from being abused for illicit purposes.

Authorized institutions (AIs) should continue to treat transactions associated with Iran (whether such transactions are conducted directly or through correspondent banks) as of higher AML/CFT risk and subject them to increased scrutiny and enhanced due diligence. AIs should conduct enhanced due diligence on, and apply increased scrutiny to transactions with, all banks domiciled in Iran and their overseas branches and subsidiaries.

Uzbekistan

The FATF also urges all jurisdictions to strengthen preventive measures to protect their financial sectors from the money laundering and terrorist financing risk emanating from Uzbekistan. AIs should continue to treat transactions associated with Uzbekistan as of higher AML/CFT risk and subject them to increased scrutiny and enhanced due diligence.

Turkmenistan, Pakistan, and São Tomé and Príncipe

The FATF statement further noted that the lack of an AML/CFT regime in Turkmenistan constitutes a money laundering and terrorist financing vulnerability in the international financial system. AIs should take this into account in their customer due diligence processes. AIs should also pay attention to the deficiencies in the AML/CFT systems in Pakistan and São Tomé and Príncipe.

Yours faithfully,

Karen Kemp
Executive Director (Banking Policy)

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