



FINANCIAL INTELLIGENCE ANALYSIS UNIT  
**DIRECTIVE TO ALL SUBJECT PERSONS  
IN RELATION TO DEALINGS WITH  
IRAN**

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THIS DIRECTIVE IS BEING ISSUED BY THE FINANCIAL  
INTELLIGENCE ANALYSIS UNIT  
(FIAU) IN TERMS OF ARTICLE 30C OF THE PREVENTION OF  
MONEY LAUNDERING ACT  
(PMLA)

ISSUED ON 17 DECEMBER 2019



This Directive is being issued by the Financial Intelligence Analysis Unit (FIAU) in terms of Article 30C of the Prevention of Money Laundering Act (PMLA), applicable to all Subject Persons as defined in terms of Regulation 2(1) of the Prevention of Money Laundering and Funding of Terrorism Regulations (PMLFTR), when dealing with natural or legal persons having connections with Iran.

### **Background**

The Financial Action Task Force (FATF) is the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). In order to protect the international financial system from money laundering and financing of terrorism risks, and to encourage greater compliance with AML/CFT standards the FATF *inter alia* identifies jurisdictions that have strategic deficiencies and works with them to address such deficiencies that pose a risk to the international financial system.

In June 2016, Iran gave a high-level political commitment to the FATF to address its strategic AML/CFT deficiencies and sought technical assistance in the implementation of an Action Plan to rectify such deficiencies. Whilst Iran made noticeable progress to address identified shortcomings by enacting amendments to its AML/CFT legislative framework, it failed to fully complete its agreed Action Plan by the January 2018 deadline. Consequentially in June 2019, the FATF called upon its members and urged all jurisdictions to require increased supervisory examinations for branches and subsidiaries of financial institutions based in Iran. In the latest Public Statement of October 2019, the FATF has escalated its call for counter measures and urged jurisdictions to ***inter alia* introduce enhanced relevant reporting mechanisms or systematic reporting of financial transactions connected<sup>1</sup> with Iran, and require increased external audit requirements for financial groups having any branches or subsidiaries located in Iran.**

### **Directive**

In line with the latest FATF call for counter measures, the FIAU is exercising the powers conferred to it under Article 30C of the PMLA and in terms of the proviso to Regulation 11(2) of the PMLFTR, it is hereby **directing Subject Persons:**

1. To **inform** the FIAU of every transaction connected with Iran, including the provision of all of the following information and details –
  - i. Full name and details of the customer and, where applicable, the beneficial owner, having a business relationship or carrying out an occasional transaction in the context of which transactions connected with Iran are to take place;
  - ii. Details of any other known parties to those transactions;
  - iii. The manner/channel through which the transaction is to be made;
  - iv. The exact value of the transaction; and
  - v. A description of the transaction, including its purpose and scope.

<sup>1</sup> In determining whether a transaction is deemed to be connected with Iran, Subject Persons are to make reference to the interpretation provided under sub-section 8.1.3 of Chapter 8 of the FIAU Implementing Procedures Part I: [https://fiumalta.org/library/PDF/misc/2019%20-%20Implementing%20Procedures%20Part%20I%20\(.v2\).pdf](https://fiumalta.org/library/PDF/misc/2019%20-%20Implementing%20Procedures%20Part%20I%20(.v2).pdf).

2. To **only execute transactions connected with Iran** if there is **no written opposition by the FIAU within five (5) working days** from when the aforementioned notification is sent to the FIAU. Provided that where it is not possible to refrain from carrying out the transaction, prior to informing the FIAU, the subject person shall inform the FIAU immediately after the transaction is effected.
3. Who are parent companies or otherwise exercise control or coordinate groups having branches or subsidiaries in Iran, **to carry out increased external audits** on the application of the group-wide AML/CFT policies and procedures by such branches or subsidiaries.

### **Concluding Remarks**

The above information and/or notifications are to be sent to the FIAU via email on: [analysis@fiumalta.org](mailto:analysis@fiumalta.org). Please include the following in the subject field of your email: "*FIAU Directive in relation to Iran*".

This directive is being issued without prejudice to any other obligations emanating from the PMLA, PMLFTR or the FIAU Implementing Procedures Part I.

Subject persons are also reminded that the proviso to Regulation 11(2) of the PMLFTR is applicable to dealings with jurisdictions in relation to which there has been an international call for counter measures, which currently includes also the Democratic People's Republic of Korea. For further guidance, reference may be made to Chapter 8 of the FIAU Implementing Procedures Part I.

**Subject Persons are likewise reminded that failure to comply with this directive may render the same liable to administrative sanctions in terms of Regulation 21 of the PMLFTR.**

**This directive shall enter into force on its date of issue and shall remain into effect until any further notice.**

  
  
**Kenneth Farrugia**  
Director, FIAU