Improving Global AML/CFT Compliance: on-going process – 27 February 2015

Paris, 27 February 2015 - As part of its on-going review of compliance with the AML/CFT standards, the FATF has to date identified the following jurisdictions which have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF. While the situations differ among each jurisdiction, each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. The FATF welcomes these commitments.
A large number of jurisdictions have not yet been reviewed by the FATF. The FATF continues to identify additional jurisdictions, on an on-going basis, that pose a risk to the international financial system.

The FATF and the FATF-style regional bodies (FSRBs) will continue to work with the jurisdictions noted below and to report on the progress made in addressing the identified deficiencies. The FATF calls on these jurisdictions to complete the implementation of action plans expeditiously and within the proposed timeframes. The FATF will closely monitor the implementation of these action plans and encourages its members to consider the information presented below.

Afghanistan	Iraq	Sudan
Angola	Lao PDR	Syria
Guyana	Panama	Yemen
Indonesia	Papua New Guinea	

Jurisdiction not making sufficient progress

Uganda

Jurisdictions no longer Subject to the FATF's On-Going AML/CFT Compliance Process

Albania	Namibia	Zimbabwe
Cambodia	Nicaragua	
Kuwait	Pakistan	

Afghanistan

In June 2012, Afghanistan made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Afghanistan should continue to work on implementing its action plan to address its strategic AML/CFT deficiencies, including by: (1) adequately criminalising money laundering; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (3) implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors; (4) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; and (5) establishing and implementing effective controls for cross-border cash transactions. The FATF encourages Afghanistan to address its remaining deficiencies and continue the process of implementing its action plan.

Angola

In June 2010 and again in February 2013 in view of its revised action plan, Angola made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. However the FATF has

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determined that a strategic AML/CFT deficiency remains. Angola should continue to work on implementing its action plan to address this deficiency by ensuring that appropriate laws and procedures are in place to provide mutual legal assistance. The FATF encourages Angola to address its remaining deficiency and continue the process of implementing its action plan.

Guyana

In October 2014, Guyana made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic deficiencies remain. Guyana should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; (3) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing effective measures for customer due diligence and enhancing financial transparency; (6) strengthening suspicious transaction reporting requirements; and (7) implementing an adequate supervisory framework. The FATF encourages Guyana to address its remaining deficiencies and continue the process of implementing its action plan.

Indonesia

Since February 2010, when Indonesia made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Indonesia has made significant progress to improve its AML/CFT regime. Indonesia has substantially addressed its action plan at a technical level, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing adequate procedures to identify and freeze terrorist assets; and (3) enacting laws or other instruments to fully implement the 1999 International Convention for the Suppression of Financing of Terrorism. The FATF will conduct an on-site visit to confirm that the process of implementing the required reforms and actions is underway to address deficiencies previously identified by the FATF.

Iraq

In October 2013, Iraq made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Iraq should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (3) establishing effective customer due diligence measures; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing suspicious transaction reporting requirements; and (6) establishing and implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors. The FATF encourages Iraq to address its remaining deficiencies and continue the process of implementing its action plan.

Lao PDR

In June 2013, the Lao PDR made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since October 2014, the Lao PDR has taken steps towards improving its AML/CFT regime, including by enacting AML/CFT legislation. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. The Lao PDR should continue to work on implementing its action plan to address these deficiencies,

including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; (3) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing suspicious transaction reporting requirements; (6) implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors; and (7) establishing and implementing effective controls for cross-border currency transactions. The FATF encourages the Lao PDR to address its AML/CFT deficiencies and continue the process of implementing its action plan.

Panama

In June 2014, Panama made a high-level political commitment to work with the FATF and GAFILAT to address its strategic AML/CFT deficiencies. Since October 2014, Panama has taken steps towards improving its AML/CFT regime, including by issuing guidance to reporting entities on filing STRs, improving the capacity of the FIU and issuing regulations on bearer shares. However, the FATF has determined that strategic AML/CFT deficiencies remain. Panama should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing an adequate legal framework for freezing terrorist assets; (3) establishing effective measures for customer due diligence in order to enhance transparency; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing suspicious transaction reporting requirements for all financial institutions and DNFBPs; and (6) ensuring effective legal mechanisms for international co-operation. The FATF encourages Panama to address its remaining deficiencies and continue the process of implementing its action plan.

Papua New Guinea

In February 2014, Papua New Guinea made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Papua New Guinea should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; (3) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing suspicious transaction reporting requirements; (6) implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors; and (7) establishing and implementing effective controls for cross-border currency transactions. The FATF encourages Papua New Guinea to address its remaining deficiencies and continue the process of implementing its action plan.

Sudan

In February 2010 and again in June 2013 in view of its revised action plan, Sudan made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Since October 2014, Sudan has taken steps towards improving its AML/CFT regime, including by issuing customer due diligence circulars and guidelines for mutual legal assistance. However, the FATF has determined that strategic AML/CFT deficiencies remain. Sudan should continue to work on implementing its action plan to address these deficiencies, including by: (1) ensuring implementation of recent procedures established to freeze terrorist assets and (2) ensuring a fully operational and effectively functioning financial intelligence unit. The FATF encourages Sudan to address its remaining deficiencies and continue the process of implementing its action plan.

Syria

Since February 2010, when Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Syria had substantially addressed its action plan at a technical level, including by criminalising terrorist financing and establishing procedures for freezing terrorist assets. While the FATF determined that Syria has completed its action plan agreed upon with the FATF, due to the security situation, the FATF has been unable to conduct an on-site visit to assess whether the process of implementing the required reforms and actions is underway. The FATF will continue to monitor the situation.

Yemen

Since February 2010, when Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Yemen had substantially addressed its action plan at a technical level, including by adequately criminalising money laundering and terrorist financing; establishing procedures to identify and freeze terrorist assets; improving its customer due diligence and suspicious transaction reporting requirements; issuing guidance; developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the financial intelligence unit (FIU); and establishing a fully operational and effectively functioning FIU. While the FATF determined that Yemen has completed its action plan agreed upon with the FATF, due to the security situation, the FATF has been unable to conduct an on-site visit to assess whether the process of implementing the required reforms and actions is underway. The FATF will continue to monitor the situation.

Jurisdictions not making sufficient progress

The FATF is not yet satisfied that the following jurisdiction has made sufficient progress on its action plan agreed upon with the FATF. The most significant action plan items and/or the majority of the action plan items have not been addressed. If this jurisdiction does not take sufficient action to implement significant components of its action plan by June 2015, then the FATF will identify this jurisdiction as being out of compliance with its agreed action plan and will take the additional step of calling upon its members to consider the risks arising from the deficiencies associated with the jurisdiction.

Uganda

Despite Uganda's high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies, the FATF is not yet satisfied that Uganda has made sufficient progress in improving its AML/CFT regime, and certain strategic AML/CFT deficiencies remain. Uganda should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (3) ensuring effective record-keeping requirements; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) ensuring adequate suspicious transaction reporting requirements; (6) ensuring an adequate and effective AML/CFT supervisory and oversight programme for all financial sectors; and (7) ensuring that appropriate laws and procedures are in place with regard to international co-operation for the financial intelligence unit and supervisory authorities. The FATF encourages Uganda to

address its remaining AML/CFT deficiencies and continue the process of implementing its action plan.

Jurisdictions no Longer Subject to the FATF's On-Going Global AML/CFT Compliance Process

Albania

The FATF welcomes Albania's significant progress in improving its AML/CFT regime and notes that Albania has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2012. Albania is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Albania will work with MONEYVAL as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

Cambodia

The FATF welcomes Cambodia's significant progress in improving its AML/CFT regime and notes that Cambodia has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2011. Cambodia is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Cambodia will work with APG as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

Kuwait

The FATF welcomes Kuwait's significant progress in improving its AML/CFT regime and notes that Kuwait has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2012. Kuwait is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Kuwait will work with MENAFATF as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report, in particular, fully implementing UNSC Resolution 1373.

Namibia

The FATF welcomes Namibia's significant progress in improving its AML/CFT regime and notes that Namibia has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2011. Namibia is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Namibia will work with ESAAMLG as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

Nicaragua

The FATF welcomes Nicaragua's significant progress in improving its AML/CFT regime and notes that Nicaragua has established the legal and regulatory

framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2011. Nicaragua is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Nicaragua will work with GAFILAT as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

Pakistan

The FATF welcomes Pakistan's significant progress in improving its AML/CFT regime and notes that Pakistan has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2010. Pakistan is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Pakistan will work with APG as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report, in particular, fully implementing UNSC Resolution 1267.

Zimbabwe

The FATF welcomes Zimbabwe's significant progress in improving its AML/CFT regime and notes that Zimbabwe has established the legal and regulatory framework to meet its commitments in its action plan regarding the strategic deficiencies that the FATF had identified in June 2011. Zimbabwe is therefore no longer subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. Zimbabwe will work with ESAAMLG as it continues to address the full range of AML/CFT issues identified in its mutual evaluation report.

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