



ADVISORY 02/2018

Requirement to apply Enhanced Due Diligence for Higher Risk Jurisdictions

The FATF, as the international standard setter for combatting money laundering, terrorist financing and other related threats to the integrity of the international financial system, regularly publishes statements that identify countries as high risk with regards to their non cooperation in implementing the necessary recommendations vis-à-vis their domestic AML/CFT regimes.

Regulation 15 (2) of the Anti-Money Laundering Regulations, 2012 require Reporting Entities to apply enhanced due diligence to countries which do not apply or fully apply the FATF Recommendations:

- *Regulation 15 (2)* states ‘Without limiting the generality of subregulation (1), a reporting entity shall apply on a risk-sensitive basis enhanced customer due diligence measures and enhanced ongoing monitoring in respect of business relationships with persons from, and transactions in, countries which do not apply or fully apply the FATF Recommendations’.

In line with Regulation 15 (2), the FIU would like to draw the attention of all Reporting Entities to the latest Public Statements issued on October 19, 2018 by FATF identifying jurisdictions with strategic deficiencies in their AML/CFT regimes (attached).

As a subsequence of the FATF Statements, the FIU advises Reporting Entities to consider the following:

- **Democratic People’s Republic of Korea (DPRK)** – to consider as **high risk** and **apply counter measures and enhanced due diligence measures** to protect the international financial system from the ongoing and substantial money laundering and financing of terrorism (ML/FT) risks
- **Iran** – to consider as **high risk** and **apply enhanced due diligence measures** proportionate to the risk arising from the jurisdiction

Dated this 27th day of November, 2018

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