

The following text has been elaborated by the CAA for information purposes. The French version of this Circular letter is the only authentic version.



Luxembourg, 10 November 2020

## **Circular letter 20/18 of the Commissariat aux Assurances concerning FATF statements concerning:**

- 1) high-risk jurisdictions against which enhanced vigilance measures and, where appropriate, counter-measures are required**
- 2) jurisdictions under increased monitoring of the FATF**

Ladies and gentlemen,

In October 2020, at its virtual plenary meeting, the FATF confirmed that its February 2020 statements remain generally applicable.

The current lists are therefore as follows:

### **1) High-risk jurisdictions for which enhanced vigilance and, where appropriate, counter-measures are required**

On 2 August 2020, the FATF decided to pause the review process of high-risk jurisdictions against which enhanced vigilance measures and, where appropriate, counter-measures are required.

The statements concerning the Democratic People's Republic of Korea ("DPRK") and Iran therefore remain unchanged, and we remind you of the following:

- Democratic People's Republic of Korea ("DPRK")**

The FATF maintains its position that the **DPRK's** AML/CFT regime continues to have substantial and strategic deficiencies and maintains its call for counter-measures against the DPRK.

Furthermore, the FATF is concerned about the threat posed by the DPRK's illegal weapons of mass destruction proliferation activities and financing.

We therefore ask you to continue to consider the risks arising from the deficiencies of the AML/CFT regime, including the DPRK's efforts to combat the financing of the proliferation of weapons of mass destruction, and to give special consideration to business relationships and transactions with that

jurisdiction, including with companies and financial institutions in that jurisdiction and those acting on their behalf.

We call on you to apply enhanced vigilance and monitoring measures in these cases to prevent these business relationships from being misused to avoid the application of a strengthened regime and counter-measures.

In addition, we ask you to maintain enhanced mechanisms for reporting suspicious transactions to the Financial Intelligence Unit ("FIU").

- **Iran**

In June 2016, **Iran** made a high-level political commitment to address its strategic AML/CFT deficiencies and decided to request technical assistance to implement the FATF action plan. However, the FATF action plan expired, although the remaining deficiencies have not been fully addressed.

At its October 2019 plenary meeting, the FATF had called for (i) enhanced supervision of subsidiaries and branches of financial institutions located in Iran, (ii) enhanced control measures, including enhanced or systematic suspicious transaction reporting mechanisms for financial transactions, and (iii) enhanced external audit requirements for financial groups in respect of all their branches and subsidiaries located in Iran.

Given that Iran has not fully addressed the remaining deficiencies, the FATF demands effective counter-measures proportionate to the risks emanating from this jurisdiction. The FATF will remain concerned about the risk of terrorist financing emanating from Iran and the threat this poses to the international financial system until Iran implements the measures required to address the deficiencies identified in the action plan. Iran will remain on this list until its action plan is fully implemented.

We therefore ask you to continue to give special consideration to business relationships and transactions with this jurisdiction, including with companies and financial institutions in this jurisdiction and those acting on their behalf.

We call on you to apply in these cases enhanced vigilance and monitoring of business relations in order to prevent the diversion of business relations to avoid the application of a strengthened regime and counter-measures. Thus, we ask you to increase the number and frequency of controls applied, to select the types of transactions requiring further examination, and in particular to obtain information on the reasons for the transactions under consideration.

In addition, we ask you to inform us in the event that a third party located in Iran is used to carry out due diligence measures (third party introducers and/or outsourcing).

Finally, we urge you to maintain strengthened mechanisms for reporting suspicious transactions to the FIU.

## **2) Jurisdictions under increased monitoring of the FATF**

The FATF gave the option for jurisdictions under increased monitoring of the FATF to not report at the October 2020 virtual plenary meeting given their focus on managing the impact of the COVID-19 pandemic. Thus, only Albania, Bahamas, Botswana, Cambodia, Ghana, Mauritius, Pakistan and Zimbabwe have submitted an updated report to the FATF.

Jurisdictions that currently have strategic AML/CFT deficiencies and have developed action plans with the FATF to address these deficiencies are as follows:

**Albania, The Bahamas, Barbados, Botswana, Cambodia, Ghana, Jamaica, Mauritius, Myanmar, Nicaragua, Pakistan, Panama, Syria, Uganda, Yemen and Zimbabwe.**

We therefore ask you to consider, where appropriate, the deficiencies highlighted by the FATF in its reports and the risks resulting from these deficiencies in your business relations and operations with these jurisdictions.

Please also note that following the substantial efforts demonstrated by **Iceland** and **Mongolia**, these jurisdictions are no longer subject to the FATF's increased monitoring process.

We invite you to consult the FATF decisions and statements in their entirety at the following Internet addresses:

<https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-october-2020.html>

<https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-october-2020.html>

This Circular letter repeals and replaces Circular letter 20/14 of the Commissariat aux Assurances of 30 July 2020.

For the Management Committee,

Claude WIRION  
Director