

Circular letter 19/18 of the Commissariat aux Assurances on FATF statements concerning:

- 1) a jurisdiction whose anti-money laundering and combating the financing of terrorism regime has substantial and strategic deficiencies and that is subject to a FATF call on its members and other jurisdictions to apply counter-measures;**
- 2) a jurisdiction that is subject to a FATF call on its members and other jurisdictions to apply the following measures : i) implement an increased supervision with respect to subsidiaries and branches of financial institutions based in this jurisdiction (Iran), ii) apply enhanced control measures, including enhanced reporting mechanisms or systematic reporting of financial transactions, and iii) require enhanced external audits for financial groups in relation to their subsidiaries and branches based in this jurisdiction (Iran);**
- 3) jurisdictions whose anti-money laundering and combating the financing of terrorism regime is not satisfactory.**

Ladies and Gentlemen,

The Financial Action Task Force (“FATF”) Plenary of October 2019 published statements on the following topics:

- 1) A jurisdiction whose anti-money laundering and combating the financing of terrorism (“AML/CFT”) regime has substantial and strategic deficiencies and that is subject to a FATF call on its members and other jurisdictions to apply counter-measures**

The FATF maintains its position that the AML/CFT regime of the **Democratic People’s Republic of Korea** (“DPRK”) continues to have substantial and strategic deficiencies and maintains the application of counter-measures against the DPRK.

In addition, the FATF is concerned about the threat posed by DPRK’s illegal activities related to the proliferation of weapons of mass destruction and its financing.

We therefore require you to continue taking into account the risks arising from the deficiencies of the AML/CFT regimes, including the fight against the financing of weapons of mass destruction proliferation regime, of the DPRK and to pay particular attention to business relationships and transactions with this jurisdiction, including with

companies and financial institutions from this jurisdiction and those acting on their behalf.

In these cases, we require you to apply enhanced due diligence and monitoring measures in order to prevent these business relationships from being used to bypass the application of enhanced measures and counter-measures.

Finally, we ask you to maintain enhanced mechanisms for reporting suspicious activity to the Financial Intelligence Unit (“FIU”).

2) A jurisdiction that is subject to a FATF call on its members and other jurisdictions to apply the following measures: i) implement an increased supervision with respect to subsidiaries and branches of financial institutions based in this jurisdiction (Iran), ii) apply enhanced control measures, including enhanced reporting mechanisms or systematic reporting of financial transactions, and iii) require enhanced external audits for financial groups in relation to their subsidiaries and branches based in this jurisdiction (Iran)

In June 2016, the FATF welcomed **Iran**'s high-level political commitment to address its strategic AML/CFT deficiencies and its decision to seek technical assistance in the implementation of the FATF's Action Plan. In November 2017, Iran established a cash declaration regime and made in August 2018 and January 2019 amendments to its AML/CFT regime. The FATF recognises the progress made at legislative level, but will only consider fully enacted legislation. However, Iran's Action Plan has expired while the remaining deficiencies had not been fully addressed. The FATF decided in its June 2019 Plenary meeting to maintain the suspension of counter-measures while requiring the implementation of increased supervisory examination for branches and subsidiaries of financial institutions based in Iran. As already announced in June 2019, the FATF made in October 2019 a call on its members and other jurisdictions to apply enhanced control measures, including enhanced reporting mechanisms or systematic reporting of financial transactions, and enhanced external audits for financial groups in relation to their branches and subsidiaries based in Iran.

The FATF urges Iran to proceed swiftly with the reforms undertaken to ensure full and accurate implementation of the Action Plan addressing all remaining AML/CFT deficiencies. Iran will remain on this list until the Action Plan has been fully completed.

The FATF will remain concerned about Iran's risk of terrorist financing and the threat it poses to the international financial system until Iran implements the necessary measures to address the deficiencies identified in the Action Plan. In its Plenary of February 2020, the FATF will assess the progress made by Iran and will take appropriate measures by requiring, where appropriate, the implementation of counter-measures that are efficient and proportionate to the risks emanating from this jurisdiction.

We therefore require you to continue to pay particular attention to business relationships and transactions with natural and legal persons from this jurisdiction and to apply enhanced due diligence and monitoring measures, including by obtaining information on the reasons for the intended transactions and by increasing the number and frequency

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of controls applied by selecting the types of transactions that require further examination.

Finally, we ask you to maintain enhanced mechanisms for reporting suspicious activity to the FIU.

3) Jurisdictions whose anti-money laundering and combating the financing of terrorism regime is not satisfactory

The following jurisdictions have strategic AML/CFT deficiencies for which they have developed action plans with the FATF to address these deficiencies:

The Bahamas, Botswana, Cambodia, Ghana, Iceland, Mongolia, Pakistan, Panama, Syria, Trinidad and Tobago, Yemen and Zimbabwe.

Considering that the AML/CFT progress of Iceland, Mongolia and Zimbabwe is considered insufficient, the FATF added these jurisdictions to its monitoring process in October 2019.

Therefore, we ask you to consider, where appropriate, the deficiencies identified by the FATF in its statements and the risks arising from them for your business relationships and transactions with these jurisdictions.

Please note also that following the substantial efforts made by **Ethiopia, Sri Lanka** and **Tunisia**, these jurisdictions are no longer subject to the FATF's monitoring process.

Please refer to the FATF's full decisions and statements at the following Internet addresses:

<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/public-statement-october-2019.html>

<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/fatf-compliance-october-2019.html>

This circular letter repeals and replaces circular letter 19/14 of the Commissariat aux Assurances of 5 July 2019.

For the Directorate,

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Director