



ANTIGUA AND BARBUDA

NATIONAL OVERSIGHT COMMITTEE ON FINANCIAL ACTION NOCFA

To: ONDCP; FSRC; ECCB

And to: Financial Institutions¹

Dated: 10 December 2021

ADVISORY on Jurisdictions with AML/CFT Deficiencies

This Advisory is issued by NOCFA to its Members pursuant to the mandate to publish advisories under its Terms of Reference.² Supervisors and Regulators should disseminate the information herein to the financial institutions³ which they supervise to enable them to take the information into consideration in their business activities as required by law.⁴ It should also be circulated to Government Departments and statutory bodies.

The Advisory relates to foreign jurisdictions with AML/CFT⁵ deficiencies and includes (i) High-risk jurisdictions subject to a call for action and (ii) jurisdictions under increased monitoring due to strategic deficiencies.

The Advisory sets out actions to be implemented and where needed, countermeasures to be taken by regulated financial institutions and Government departments.

Responding to this Advisory

1. Supervisors and Regulators must distribute this Advisory to the entities they supervise/regulate.
2. Financial Institutions to whom this Advisory is provided are required to acknowledge receipt to the authority that provides it.
3. Financial Institutions should take this Advisory into account when considering transactions or business involving the jurisdictions referred to herein (and where called upon, apply enhanced, proportionate due diligence).

PART 1 – High Risk Jurisdictions Subject to a Call for Action

FATF Public Statement of October 2021 (first adopted 21 February 2020)

High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on

¹ See First Schedule of the Money Laundering (Prevention) Act 1996 and section 2 of the Prevention of Terrorism Act 2005.

² “In furtherance of its objective, the NOCFA shall:- ...

3. act as a coordination task force, taking measures including publication of advisories, notices and countermeasures to ensure that relevant Authorities understand their respective supervisory role and responsibilities.”

³ See financial institutions as defined in the First Schedule of the Money Laundering (Prevention) Act 1996 and section 2 of the Prevention of Terrorism Act 2005.

⁴Reg. “6(1a) (1) [A financial institution] must pay special attention to business relationships and transactions with persons from or in countries which [the financial institution] knows or has reason to believe insufficiently apply international standards against money laundering or the financing of terrorism.

(2) If the Supervisory Authority notifies [a financial institution] that a country has weaknesses in its AML/CFT systems, then [the financial institution] must pay special attention to business relationships and transactions from or in that country.

(1b) Where transactions have no apparent economic or visible lawful purpose, [the financial institution] should examine as far as possible the background and purpose of such transactions, and written findings should be kept as a financial transaction document.

(1c) [A financial institution] should adhere to any countermeasures that the Supervisory Authority or the regulator advises should be implemented.”

⁵ AML/CFT: anti-money laundering/counter terrorist financing

all members and urges all jurisdictions to apply enhanced due diligence, and in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the ongoing money laundering, terrorist financing, and proliferation financing (ML/TF/PF)⁶ risks emanating from the country.

1. DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (DPRK)

The FATF remains concerned by the DPRK's failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threats they pose to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, the FATF has serious concerns with the threat posed by the DPRK's illicit activities related to the **proliferation of weapons of mass destruction (WMDs) and its financing**.

The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the DPRK, including DPRK companies, financial institutions, and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/TF/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC resolutions.

2. IRAN

In June 2016, Iran committed to address its strategic deficiencies. Iran's action plan expired in January 2018. In February 2020, the FATF noted Iran has not completed the action plan.[1]

In October 2019, the FATF called upon its members and urged all jurisdictions to: require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran; introduce enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran.

Now, given Iran's failure to enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, the FATF fully lifts the suspension of counter-measures and calls on its members and urges all jurisdictions to apply effective counter-measures, in line with Recommendation 19.[2]

Iran will remain on the FATF statement on [High Risk Jurisdictions Subject to a Call for Action] until the full Action Plan has been completed. If Iran ratifies the Palermo and Terrorist Financing Conventions, in line with the FATF standards, the FATF will decide on next steps, including whether to suspend countermeasures. Until Iran implements the measures required to address the deficiencies identified with respect to countering terrorism-financing in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system.

⁶ Section 7A of the Prevention of Terrorism Act (PTA) prohibits transactions with specified entities. Section 20B of the PTA prohibits making funds available to specified entities. "specified entity" means a person or entity in respect of which an order under section 3(2) has been made by the Attorney General, or is deemed by reason of the operation of section 4(2) to have been made by the Minister of Foreign Affairs, and is in force;

PART 2 – Jurisdictions under Increased Monitoring

FATF Statement of October 2021 on Jurisdictions under increased monitoring

Jurisdictions under increased monitoring are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring.

Since the start of the COVID-19 pandemic, the FATF has provided some flexibility to jurisdictions not facing immediate deadlines to report progress on a voluntary basis. The following countries had their progress reviewed by the FATF since June 2021: Albania, Barbados, Botswana, Cambodia, Cayman Islands, Jamaica, Malta, Mauritius, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, Uganda, and Zimbabwe. For these countries, updated statements are provided below. Burkina Faso, Haiti, and South Sudan were given the opportunity and chose to defer reporting; thus, the statements issued in February and June 2021 for these jurisdictions are included below, but they may not necessarily reflect the most recent status of the jurisdiction’s AML/CFT regime. Following review, the FATF now also identifies Jordan, Mali, and Turkey.

(click on country name below to go to FATF online country report or go directly to the FATF website for details)

Jurisdictions with strategic deficiencies	Jurisdiction no longer subject to increased monitoring
Albania	Botswana
Barbados	Mauritius
Burkina Faso	
Cambodia	
Cayman Islands	
Haiti	
Jamaica	
Jordan	
Mali	
Malta	
Morocco	
Myanmar	

Nicaragua	
Pakistan	
Panama	
Philippines	
Senegal	
South Sudan	
Syria	
Turkey	
Uganda	
Yemen	
Zimbabwe	

PART 3 –Jurisdictions under the CFATF ICRG⁷ Process

CFATF⁸ Public Statement of Plenary November 2021

[none]

CFATF Public Statement of Plenary 11 December 2020

<i>Jurisdiction exiting the Third Round of Mutual Evaluations</i>	
<p>Sint Maarten</p> <p>The CFATF LI Plenary recognised that Sint Maarten has made significant progress in addressing the deficiencies identified in its 2013 Mutual Evaluation Report; therefore, Sint Maarten has exited the 3rd Round Follow-Up Process.</p>	

⁷ International Co-operation Review Group

⁸ The Caribbean Financial Action Task Force (CFATF) is an organisation of twenty-five jurisdictions of the Caribbean Basin Region, which have agreed to implement the international standards on Combatting Money Laundering and the Financing of Terrorism & Proliferation (The FATF Recommendations). In order to protect the international financial system from money laundering and financing of terrorism (ML/FT) risks and to encourage greater compliance with the AML/CFT standards, the CFATF identifies jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.

NOCFA Guidance:

Complementing the requirements regarding jurisdictions listed in PART 1 above, financial institutions should pay special attention to individuals and entities connected to these jurisdictions, bearing in mind —

- (a) It is an offence for a financial institution to engage in any transactions with persons or entities declared specified entities or proliferation entities by the Minister of Foreign Affairs or suspected of being engaged in the proliferation of WMD (a proliferation entity⁹) - see section 7A(1) of the Prevention of Terrorism Act [amended by section 7 of the Prevention of Terrorism (Amendment) Act No. 11 of 2020].
- (b) It is an offence for anyone to make available for the benefit of a specified entity or proliferation entity any funds, assets, economic resources, or financial or other related services unless authorized by a relevant United Nations Security Council Resolution - see sections 20B(a) and (2) of the Prevention of Terrorism Act [amended by section 11 of the Prevention of Terrorism (Amendment) Act No. 11 of 2020].
- (c) Where a financial institution is unable to satisfy itself that a transaction is not related to the financing of terrorism or the financing of the proliferation of WMD then it should consider not proceeding with it. Financial institutions should review the Appendix to the MLFT Guidelines titled "Indicators of Possible Proliferation Financing"¹⁰, issued by the ONDCP Supervisory Authority on 12 December 2017.
- (d) "specified entity" is a person or entity declared to be a specified entity by order of the Minister of Foreign Affairs under section 4(2) of the Prevention of Terrorism Act.
- (e) "proliferation entity" is a person or entity engaged in the proliferation of or the financing of the proliferation of weapons of mass destruction or declared to be a proliferation entity by the Minister of Foreign Affairs under section 4(3) of the Prevention of Terrorism Act.



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⁹ "proliferation entity" is a person or entity engaged in the proliferation of or the financing of the proliferation of "weapons of mass destruction".

¹⁰ www.ondcp.gov.ag