



ADVISORY NOTICE

NOTICE No: **AFI46/FIC/4**

FINANCIAL ACTION TASK FORCE (FATF) CALLS ON ITS MEMBERS AND OTHER JURISDICTIONS TO APPLY COUNTERMEASURES (IRAN & DPRK) & PROPORTIONATE ENHANCED DUE DILIGENCE (MYANMAR)

This advisory informs all Accountable Institutions (AIs) to take note and apply enhanced due diligence and countermeasures against high-risk jurisdictions (FATF blacklist) identified for significant weaknesses in combating Money Laundering, Terrorist Financing, and Proliferation Financing (ML/TF/PF), following the FATF Plenary of February 19–21, 2025.

DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (DPRK)

FATF has raised ongoing concerns about DPRK's failure to address major AML weaknesses and its involvement in financing weapons of mass destruction. DPRK continues to use front companies, shell entities, and complex structures to evade sanctions, as noted in UN Security Council Resolution 2270. FATF reiterates the need for all countries to implement the targeted financial sanctions and apply the following countermeasures to protect its financial systems:

- Terminate correspondent relationships with DPRK banks
- Close any subsidiaries or branches of DPRK banks
- Limit business relationships & financial transactions with DPRK persons
- Apply enhanced due diligence to the DPRK and its ability to facilitate transactions on its behalf using legal entities.

IRAN

Following the inability of Iran to complete its action plan and failure to enact the Palermo and Terrorist Financing Conventions in line with FATF standards, FATF calls on all its members and jurisdictions to apply effective countermeasures in line with Recommendation 19 (higher risk countries) including,

- Increased supervisory examination for branches and subsidiaries of financial institutions based in Iran.
- Enhanced relevant reporting mechanisms (systematic reporting of financial transactions).
- Increased external audit requirements for financial groups with respect to any branches and subsidiaries located in Iran.

MYANMAR

FATF recommends that Myanmar be subjected to enhanced due diligence measures, owing to its continued lack of progress in addressing majority of its action items after a year deadline. As part of the EDD, financial institutions should increase the degree and nature of monitoring business relationships to determine if transactions appear unusual or suspicious.

COMPLIANCE REQUIREMENTS FOR ACCOUNTABLE INSTITUTIONS (AIs)

The Financial Intelligence Centre (FIC) reminds all Accountable Institutions of their obligation to stay informed about updates issued by the FATF on **High-Risk and Monitored** jurisdictions and to act accordingly.

According to Section 30 of the Anti-Money Laundering Act, 2020 (Act 1044) and Regulation 1.8.11 and 13 of L.I. 1987 (Anti-Money Laundering Regulations, 2011), all Accountable Institutions must apply enhanced due diligence (EDD) and ongoing monitoring when dealing with situations or business relationships that present a higher risk of money laundering, terrorist financing, or other criminal activities. This also applies to dealings with individuals or entities from countries that do not adequately implement the FATF Recommendations.

To comply with Act 1044 and demonstrate effective risk management, AIs are advised to undertake the following minimum measures:

1. When Dealing with High-Risk Jurisdictions (Subject to a Call for Action)

Accountable Institutions must:

- Regularly check the FATF website (<https://www.fatf-gafi.org/>) for updates on countries identified as high-risk.
- Apply FATF-recommended countermeasures for those countries.
- Pay close attention to transactions and relationships involving persons or entities from these jurisdictions — including companies, trusts, and financial institutions.
- Strengthen internal controls and systems to manage the specific risks highlighted by FATF.
- Monitor correspondent banking relationships carefully to prevent misuse for bypassing risk controls and countermeasures.

2. When Dealing with Countries under Increased Monitoring

Accountable Institutions must:

- Factor in FATF's findings on these countries during their risk assessments.
- Treat transactions and business relationships with these jurisdictions with heightened scrutiny based on the level of risk.

3. Ongoing Monitoring Responsibilities

- Accountable Institutions are expected to **monitor FATF updates continuously**.
- Any changes in the FATF lists should be immediately reflected in the institution's risk management and due diligence procedures.

The FIC will continue to issue notifications in cases where updates from FATF require prompt local compliance.

ISSUED BY:

THE FINANCIAL INTELLIGENCE CENTRE

June 9, 2025.