

FINANCIAL ACTION TASK FORCE STATEMENT ON THE ANTI-MONEY LAUNDERING AND COUNTER-TERROR FINANCING SYSTEMS OF CERTAIN JURISDICTIONS

On 16 October 2008, the Financial Action Task Force (“FATF”) released a statement on the anti-money laundering and counter-terror financing systems of certain jurisdictions. In particular the FATF called on its members to strengthen measures to guard against these risks with respect to the Republic of Uzbekistan and the Islamic Republic of Iran.

With respect to the Islamic Republic of Iran the FATF welcomed recent steps towards addressing deficiencies in its measures to combat money laundering. In addition the FATF pointed out that the lack of corresponding measures in respect of terror financing continues to pose a threat.

Financial institutions should therefore strengthen their processes for managing their exposure to the vulnerabilities identified by the FATF. This does not imply that financial institutions should not engage in transactions involving financial institutions domiciled in the Islamic Republic of Iran, but when they do so they should ensure that the due diligence applied is commensurate with the risks posed by deficiencies in the measures to combat money laundering and, in particular, terror financing.

With respect to the Republic of Uzbekistan, the FATF expressed its increased concern at the fact that the Uzbek authorities have not yet restored its measures to combat money laundering and terror financing.

This situation exposes financial institutions engaging with counter-parts in the Republic of Uzbekistan to a high risk of involvement in transactions that may relate to money laundering or terror financing. Financial institutions should therefore apply a high level of vigilance and enhanced due diligence commensurate with the heightened risk posed by the continuing failure to restore the jurisdiction’s measures to combat money laundering and terror financing.

The full statement can be accessed at http://www.fatf-gafi.org/pages/0,2987,en_32250379_32235720_1_1_1_1_1,00.html

Issued by:

The Director: Financial Intelligence Centre

20 October 2008

The FATF is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing.

The thirty-four members of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; Denmark; the European Commission; Finland; France; Germany; Greece; the Gulf Co-operation Council; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States.