

ADVISORY:

Financial Action Task Force public statement on high-risk jurisdictions that are subject to a call for action – October 2025

24 October 2025 – The Financial Action Task Force (FATF) identifies high-risk jurisdictions that have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation of weapons of mass destruction.

The FATF regularly issues public statements in respect of these high-risk jurisdictions, calling on its members and urging other jurisdictions to apply *enhanced due diligence*, and in the most serious cases to apply *countermeasures*, to protect the international financial system from the ongoing money laundering, terrorist financing, and proliferation financing risks emanating from those high-risk jurisdictions.

The FATF published the latest such statement on its website on 24 October 2025. In this statement the FATF identifies the Democratic Republic of Korea (DPRK), the Islamic Republic of Iran (Iran) and Myanmar as high-risk jurisdictions. The statement can be accessed [here](#).

Democratic People's Republic of Korea

Building upon the FATF statements over the past decade, the FATF remains concerned by the DPRK's continued failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threats posed by the DPRK's illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

The FATF has continually reiterated since 2011 the need for all countries to robustly implement the targeted financial sanctions in accordance with UNSC Resolutions and apply the following countermeasures to protect their financial systems from the money laundering, terrorist financing, and proliferation financing threat emanating from DPRK:

- Terminate correspondent relationships with DPRK banks;
- Close any subsidiaries or branches of DPRK banks in their countries; and
- Limit business relationships & financial transactions with DPRK persons.

Despite these calls, DPRK has increased connectivity with the international financial system, which raises proliferation financing (PF) risks, as the FATF noted in February 2024. This requires greater vigilance and renewed implementation and enforcement of these countermeasures against the DPRK. As set out in UNSCR 2270, DPRK frequently uses front companies, shell companies, joint ventures and complex, opaque ownership structures for the purpose of violating sanctions. As such, FATF encourages its members and all countries to apply enhanced due diligence to the DPRK and its ability to facilitate transactions on its behalf.

The FATF also urges countries to adequately assess and account for the increased proliferation financing risk with the greater financial connectivity reported, particularly since the next round of assessments requires countries to adequately assess PF risks under Recommendation 1 and Immediate Outcome 11. The ability to obtain reliable and credible information to support the assessment of PF risks relating to the DPRK is hampered by the recent termination of the 1718 Committee Panel of Experts mandate. Thus, the FATF will monitor the measures to comply with DPRK targeted financial sanctions and the implementation of countermeasures against DPRK.

The Financial Intelligence Centre (FIC) therefore advises accountable institutions that these risks in respect of the DPRK, in particular the DPRK's ability to facilitate transactions on its behalf, expose institutions engaging with counterparts in the DPRK to the possibility of involvement in transactions that may relate to the financing of the proliferation of weapons of mass destruction.

With these risks in mind, accountable institutions are advised to apply enhanced due diligence to business relationships and transactions with entities in the DPRK and their intermediaries. The FIC also advises accountable institutions not to rely on third parties to provide the information that they require in conducting enhanced customer due diligence in this context.

In addition, the FIC advises accountable institutions and all businesses to enhance their ability to identify and report suspicious and unusual transactions or actions under section 29 of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001, the FIC Act), taking into account the abovementioned risks.

The FIC further advises accountable institutions to terminate correspondent relationships with DPRK financial institutions where this is required by relevant UNSC Resolutions.

The FIC reminds institutions of their targeted financial sanctions obligations pursuant to sections 26A to 26C of the FIC Act, in respect of the DPRK and draws attention to PCC 44A, issued on 29 February 2024, for further guidance on the application of these sanctions. In particular, the FIC reiterates that the prohibitions relating to targeted financial sanctions are absolute and must be applied by all persons in respect of all sanctioned person and entities.

Islamic Republic of Iran

The FATF acknowledges Iran's re-engagement with the FATF as Iran aims to address deficiencies in its AML/CFT regime. In June 2016, Iran provided a high-level political commitment to address those deficiencies through an action plan that expired in January 2018. In October 2019, given Iran's lack of progress on its action plan, 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. Since February 2020, given Iran's failure to fully address its action plan, the FATF has called upon its members and required all jurisdictions to apply effective countermeasures in line with its Recommendation 19.

In September 2025, Iran provided an update to the FATF on its ratification of the United Nations Convention against Transnational Organized Crime (Palermo). While the FATF takes note of Iran's submission and engagement, at this time, the FATF assesses that the reservations Iran has made to Palermo are overly broad and that

Iran's domestic compliance with Palermo is not in line with the FATF standards. The FATF also notes Iran has failed to address the majority of its action plan since 2016.

Considering the United Nations Security Council Resolutions related to Iran's lack of compliance with its nuclear non-proliferation obligations, the FATF reminds all jurisdictions of their obligations under the FATF standards to address proliferation financing risks emanating from Iran. Additionally, given the ongoing terrorist financing and proliferation financing threats emanating from Iran and as Iran's action plan remains incomplete, the FATF reiterates its call on its members and urges all jurisdictions to apply effective countermeasures on Iran, including the following:

- Refusing the establishment of subsidiaries or branches or representative offices of financial institutions from the country concerned or otherwise taking into account the fact that the relevant financial institution is from a country that does not have adequate AML/CFT systems; and
- Prohibiting financial institutions from establishing branches or representative offices in the country concerned, or otherwise taking into account the fact that the relevant branch or representative office would be in a country that does not have adequate AML/CFT systems.

Iran will remain on the FATF High Risk Jurisdictions Subject to a Call for Action statement until the full Action Plan has been completed. As the FATF previously stated, should Iran ratify and implement the Palermo and Terrorist Financing Conventions, in line with the FATF standards, the FATF will decide on next steps, including whether to suspend countermeasures. The FATF may consider additional next steps if Iran fails to demonstrate additional progress on its action plan.

The FATF strongly encourages Iran to work with the FATF to urgently make further progress on its action plan to fully address: (1) adequately criminalizing terrorist financing, including by removing the exemption for designated groups "attempting to end foreign occupation, colonialism and racism"; (2) identifying and freezing terrorist assets in line with the relevant United Nations Security Council resolutions; (3) ensuring an adequate and enforceable customer due diligence regime; (4) demonstrating how authorities are identifying and sanctioning unlicensed money/value transfer service providers; (5) ratify and implement the TF Convention in line with the FATF standards and ensure that the ratification and implementation of the Palermo

Convention is also in line with the FATF standards and clarify the capability to provide mutual legal assistance; and (6) ensuring that financial institutions verify that wire transfers contain complete originator and beneficiary information.

The FIC therefore advises accountable institutions to consider the risks identified by the FATF in relation to Iran when entering into business relationships or conducting transactions with persons and entities in Iran and to apply enhanced due diligence (including those suggested by the FATF) in this regard, especially where there may be an increased risk of terrorist financing.

In this context the FIC advises accountable institutions to limit engagements in new business relationships or transactions with persons and entities in Iran to those where institutions are confident that they can manage the attendant money laundering and terrorist financing risks. The FIC also advises accountable institutions not to rely on third parties located in Iran to provide information they require in conducting customer due diligence.

In addition, the FIC advises accountable institutions and all businesses to enhance their ability to identify and report suspicious and unusual transactions or actions under section 29 of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001, the FIC Act), taking into account the abovementioned risks.

The FATF's statement and this advisory do not imply that institutions are prohibited from engaging in transactions involving financial institutions domiciled in Iran, but when they do so they should ensure that the due diligence applied is commensurate with the risks posed by above-mentioned strategic deficiencies and that they are able to meet the reporting requirements of the FIC Act.

Myanmar

In February 2020, Myanmar committed to address its strategic deficiencies. Myanmar's action plan expired in September 2021.

In October 2022, given the continued lack of progress and the majority of its action items still not addressed after a year beyond the action plan deadline, the FATF decided that further action was necessary in line with its procedures and FATF calls on its members and other jurisdictions to apply enhanced due diligence measures

proportionate to the risk arising from Myanmar. The FATF requires that as part of enhanced due diligence, financial institutions should increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear unusual or suspicious. If no further progress is made by February 2026, the FATF will consider countermeasures.

While overall progress continues to be slow, Myanmar recently made progress regarding the management of seized assets to preserve their value until confiscation, but Myanmar should urgently work to implement its FATF action plan to address its strategic deficiencies, including: (1) demonstrating enhanced use of financial intelligence in law enforcement authorities (LEAs) investigations, and increasing operational analysis and disseminations by the financial intelligence unit (FIU); (2) ensuring that ML is investigated/prosecuted in line with risks; (3) demonstrating investigation of transnational ML cases with international cooperation; and (4) demonstrating an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value.

When applying enhanced due diligence, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are neither disrupted nor discouraged. Especially in relation to earthquake relief efforts in Myanmar, the FATF recognizes the importance of ensuring that implementation of its Recommendations does not adversely and disproportionately affect NPOs and further, does not unduly hinder civil society and the delivery of humanitarian assistance. The FATF will also continue to monitor whether Myanmar's AML/CFT activities apply undue scrutiny to legitimate financial flows.

Myanmar will remain on the list of countries subject to a call for action until its full action plan is completed.

The FIC therefore advises accountable institutions to consider the risks identified by the FATF in relation to Myanmar when entering into business relationships or conducting transactions with persons and entities that have links to Myanmar and to apply enhanced due diligence in this respect. When applying enhanced due diligence measures, accountable institutions should ensure that flows of funds for humanitarian assistance, legitimate activities of non-profit organisations and remittances are not disrupted.

The FATF's statement and this advisory do not imply that institutions are prohibited from engaging in transactions involving financial institutions domiciled in Myanmar, but when they do so they should ensure that the due diligence applied is commensurate with the risks posed by above-mentioned strategic deficiencies and that they are able to meet the reporting requirements of the FIC Act.

For more information on these and other matters relating to the work of the FATF please visit <https://www.fatf-gafi.org/en/home.html>.

Issued by the Financial Intelligence Centre