



## High-risk and non-cooperative jurisdictions

### FATF Public Statement - 22 June 2012

*Rome, 22 June 2012* - The Financial Action Task Force (FATF) is the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). 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 FATF identified jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.

Jurisdictions subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing (ML/TF) risks emanating from the jurisdictions.

[Iran](#)  
[Democratic People's Republic of Korea \(DPRK\)](#)

Jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction, as described below.

[Bolivia](#)  
[Cuba](#)  
[Ecuador](#)  
[Ethiopia](#)  
[Ghana](#)  
[Indonesia](#)  
[Kenya\\*](#)  
[Myanmar\\*](#)  
[Nigeria](#)  
[Pakistan](#)  
[São Tomé and Príncipe](#)  
[Sri Lanka](#)  
[Syria](#)  
[Tanzania](#)  
[Thailand](#)  
[Turkey\\*](#)  
[Vietnam](#)  
[Yemen](#)

\*These jurisdictions have not made sufficient progress since being identified in the Public Statement of June 2011. If these jurisdictions do not take significant actions by October 2012, the FATF will call upon its members to apply countermeasures proportionate to the risks associated with the jurisdiction.

## Iran

The FATF remains particularly and exceptionally concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system, despite Iran's previous engagement with the FATF.

The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF reaffirms its 25 February 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. FATF continues to urge jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices and to take into account ML/FT risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdiction. Due to the continuing terrorist financing threat emanating from Iran, jurisdictions should consider the steps already taken and possible additional safeguards or strengthen existing ones.

The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalising terrorist financing and effectively implementing suspicious transaction reporting (STR) requirements. If Iran fails to take concrete steps to continue to improve its CFT regime, the FATF will consider calling on its members and urging all jurisdictions to strengthen counter-measures in October 2012.

## 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 threat this poses to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies.

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 and financial institutions. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from the DPRK. Jurisdictions should also protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and take into account ML/FT risks when considering requests by DPRK financial institutions to open branches and subsidiaries in their jurisdiction.

The FATF acknowledges the latest outreach from DPRK to FATF and remains prepared to engage directly in assisting the DPRK to address its AML/CFT deficiencies.

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## Bolivia

Despite Bolivia's high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies, Bolivia has not made sufficient progress in

implementing its action plan, and certain strategic AML/CFT deficiencies remain. Bolivia should continue to work on addressing these deficiencies, including by: (1) ensuring adequate criminalisation of money laundering; (2) adequately criminalising terrorist financing; (3) establishing and implementing an adequate legal framework for identifying and freezing terrorist assets; and (4) establishing a fully operational and effective Financial Intelligence Unit. The FATF encourages Bolivia to address its remaining deficiencies, specifically enactment of the AML/CFT amendments which are currently being considered by Parliament, and continue the process of implementing its action plan.

## **Cuba**

The FATF has identified Cuba as having strategic AML/CFT deficiencies that pose a risk to the international financial system. Since February 2012 Cuba has officially engaged with the FATF and has also attended CFATF and GAFISUD meetings. The FATF urges Cuba to continue its engagement with the FATF, and to work with the FATF to develop and agree on an action plan in order to implement an AML/CFT regime in line with international standards.

## **Ecuador**

Ecuador has taken steps towards improving its AML/CFT regime, including by issuing regulations to financial entities regarding AML supervision. Despite Ecuador's high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies, Ecuador has not made sufficient progress in implementing its action plan within the established timelines, and certain strategic deficiencies remain. Ecuador should continue to work with the FATF and GAFISUD on implementing its action plan to address these deficiencies, including by enacting its recently tabled CFT legislation and by: (1) ensuring adequate criminalisation of terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) implementing adequate procedures for the confiscation of funds related to money laundering; and (4) enhancing co-ordination of financial sector supervision. The FATF encourages Ecuador to address its remaining deficiencies and continue the process of implementing its action plan.

## **Ethiopia**

Despite Ethiopia's high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies, Ethiopia has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Ethiopia should continue to work on addressing these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing an adequate legal framework and procedures to identify and freeze terrorist assets; (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit; and (4) implementing effective, proportionate and dissuasive sanctions in order to deal with natural or legal persons that do not comply with the national AML/CFT requirements. The FATF encourages Ethiopia to address its remaining deficiencies and continue the process of implementing its action plan.

## **Ghana**

Despite Ghana's high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies, Ghana has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Ghana

should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit; and (3) establishing and implementing adequate procedures to identify and freeze terrorist assets. The FATF encourages Ghana to address its remaining deficiencies and continue the process of implementing its action plan.

## Indonesia

Indonesia is continuing to improve its AML/CFT regime since the enactment of its AML legislation in 2010 and by introducing CFT legislation in Parliament for committee discussion. However, despite Indonesia's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Indonesia has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Indonesia should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; and (3) amending and implementing laws or other instruments to fully implement the 1999 International Convention for the Suppression of Financing of Terrorism. The FATF encourages Indonesia to address its remaining deficiencies and continue the process of implementing its action plan.

## Kenya\*

Despite Kenya's high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies, Kenya has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Since the original action plan was formulated, Kenya was subject to a mutual evaluation which has highlighted additional strategic deficiencies and these have been included in the revised action plan. Kenya should continue to work on addressing these deficiencies, including by: (1) adequately implementing the Proceeds of Crime and Anti-Money Laundering Act and adequately criminalising terrorist financing; (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit; (3) establishing and implementing an adequate legal framework for the confiscation of funds related to money laundering, and the identification and freezing of terrorist assets; (4) implementing effective, proportionate and dissuasive sanctions in order to deal with natural or legal persons that do not comply with the national AML/CFT requirements; (5) implementing an adequate and effective AML/CFT supervisory programme for all financial sectors; (6) enhancing financial transparency; (7) further improving and broadening CDD measures; and (8) establishing adequate record-keeping requirements. Taking into account Kenya's continued lack of progress, in particular in enacting the CFT legislation, if Kenya does not take significant actions by October 2012, the FATF will call upon its members to apply countermeasures proportionate to the risks associated with Kenya.

## Myanmar\*

Despite Myanmar's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Myanmar has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Myanmar should work on addressing these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing adequate procedures to identify and

freeze terrorist assets; (3) further strengthening the extradition framework in relation to terrorist financing; (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit; (5) enhancing financial transparency; and (6) strengthening customer due diligence measures. Given Myanmar's continued lack of progress, if Myanmar does not take significant actions by October 2012, the FATF will call upon its members to apply countermeasures proportionate to the risks associated with Myanmar.

## **Nigeria**

Despite Nigeria's high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies, Nigeria has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Nigeria should continue to work on addressing these deficiencies, including by addressing remaining issues regarding criminalisation of money laundering and terrorist financing. The FATF encourages Nigeria to address its remaining deficiencies and continue the process of implementing its action plan.

## **Pakistan**

Pakistan has taken significant steps towards improving its AML/CFT regime, including by enhancing the capacity of its FIU, issuing the UNSC (Enforcement) Order 2012, AML/CFT guidelines for exchange companies and a currency declaration notification for the implementation of its cash border controls. However, despite Pakistan's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Pakistan has not yet made the necessary progress in fully implementing its action plan, and certain key CFT deficiencies remain. Specifically, Pakistan needs to enact legislation to ensure that it meets the FATF standards regarding the terrorist financing offence and the ability to identify, freeze, and confiscate terrorist assets. The FATF encourages Pakistan to address the remaining deficiencies and continue the process of implementing its action plan.

## **São Tomé and Príncipe**

Despite São Tomé and Príncipe's high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies, São Tomé and Príncipe has not made sufficient progress in implementing its action plan, and certain strategic deficiencies remain. São Tomé and Príncipe should continue to work on addressing these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing a fully operational and effectively functioning Financial Intelligence Unit; (3) ensuring that financial institutions and DNFBPs are subject to adequate AML/CFT regulation and supervision; and (4) implementing effective, proportionate and dissuasive sanctions in order to deal with natural or legal persons that do not comply with the national AML/CFT requirements. The FATF encourages São Tomé and Príncipe to address its remaining deficiencies and continue the process of implementing its action plan.

## **Sri Lanka**

Sri Lanka has taken significant steps towards improving its AML/CFT regime, including by issuing regulations to establish freezing procedures to implement UNSCRs 1267 and 1373. However, despite Sri Lanka's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Sri Lanka has not made sufficient progress in implementing its action plan. Sri Lanka should continue to work on addressing

the remaining issue regarding adequate criminalisation of terrorist financing. The FATF encourages Sri Lanka to address this deficiency and continue the process of implementing its action plan.

## Syria

Previously, Syria had taken significant steps towards improving its AML/CFT regime. However, despite Syria's high-level political commitment to work with the FATF and MENAFATF, further engagement with Syria is needed to clarify whether the remaining deficiencies have been addressed, including by: (1) implementing adequate procedures for identifying and freezing terrorist assets; (2) ensuring that financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to money laundering and terrorist financing; and (3) ensuring that appropriate laws and procedures are in place to provide mutual legal assistance. The FATF encourages Syria to demonstrate that its remaining deficiencies have been addressed to enable the FATF to properly evaluate Syria's progress.

## Tanzania

Tanzania has taken steps towards improving its AML/CFT regime. However, despite Tanzania's high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies, Tanzania has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Tanzania should continue to work on implementing its action plan to address these deficiencies, including by: (1) addressing predicate offences for money laundering; (2) adequately criminalising terrorist financing; (3) establishing and implementing adequate procedures to identify and freeze terrorist assets as well as implementing the UNSCRs 1267 and 1373 through law, regulations or other enforceable means; (4) establishing effective customer due diligence measures; (5) ensuring adequate record-keeping requirements; (6) establishing a fully operational and effectively functioning Financial Intelligence Unit. The FATF encourages Tanzania to address its remaining deficiencies and continue the process of implementing its action plan.

## Thailand

Despite Thailand's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Thailand has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain, although Thailand has faced external difficulties from 2009 to 2011 which significantly impacted the legislative process for the necessary laws and regulations. Thailand has taken steps towards improving its AML/CFT regime, including by substantially completing an AML/CFT risk assessment for its financial sector. Thailand should continue to work on implementing its action plan to address the remaining deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; and (3) further strengthening AML/CFT supervision. The FATF encourages Thailand to address its remaining deficiencies and continue the process of implementing its action plan, specifically enacting its draft CFT legislation.

## Turkey\*

Despite Turkey's high-level political commitment to work with the FATF to address its strategic CFT deficiencies, Turkey has not made sufficient progress in implementing its action plan, and certain strategic CFT deficiencies remain. Turkey should work on addressing these deficiencies, including by: (1) adequately criminalising terrorist financing; and (2) implementing an adequate legal framework for identifying and freezing terrorist assets. Given Turkey's continued lack of progress in these two areas, if Turkey does not take significant actions by October 2012, the FATF will call upon its members to apply countermeasures proportionate to the risks associated with Turkey.

## Vietnam

Vietnam has taken steps towards improving its AML/CFT regime, including by issuing an Inter-Ministerial Circular on terrorist financing and amended its AML legislation. However, despite Vietnam's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Vietnam has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Vietnam should continue to work with the FATF and APG on implementing its action plan to address these deficiencies, including by: (1) address the remaining issues regarding adequate criminalisation of terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) making legal persons subject to criminal liability in line with FATF Standards or demonstrating that there is a constitutional prohibition to prevent this; (4) improving the overall supervisory framework; (5) improving and broadening customer due diligence measures and reporting requirements; and (6) strengthening international co-operation. The FATF encourages Vietnam to address its remaining deficiencies and continue the process of implementing its action plan.

## Yemen

Despite Yemen's high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has not made sufficient progress in implementing its action plan and certain strategic AML/CFT deficiencies remain. Yemen should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalizing money laundering and terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the Financial Intelligence Unit (FIU) to ensure compliance by financial institutions with their suspicious transaction reporting (STR) obligations, especially in relation to the financing of terrorism; and (4) ensuring a fully operational and effectively functioning FIU. The FATF encourages Yemen to address its remaining deficiencies and continue the process of implementing its action plan.

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## Improving Global AML/CFT Compliance: on-going process - 22 June 2012

Rome, 22 June 2012 - As part of its on-going review of compliance with the AML/CFT standards, the FATF has to date identified the following jurisdictions which have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF. While the situations differ among each jurisdiction, each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. The FATF welcomes these commitments.

A large number of jurisdictions have not yet been reviewed by the FATF. The FATF continues to identify additional jurisdictions, on an on-going basis, that pose a risk to the international financial system.

The FATF and the FSRBs will continue to work with the jurisdictions noted below and to report on the progress made in addressing the identified deficiencies. The FATF calls on these jurisdictions to complete the implementation of action plans expeditiously and within the proposed timeframes. The FATF will closely monitor the implementation of these action plans and encourages its members to consider the information presented below.

[Afghanistan](#)

[Albania](#)

[Algeria](#)

[Angola](#)

[Antigua and Barbuda](#)

[Argentina](#)

[Bangladesh](#)

[Brunei Darussalam](#)

[Turkmenistan](#)

[Cambodia](#)

[Kuwait](#)

[Kyrgyzstan](#)

[Mongolia](#)

[Morocco](#)

[Namibia](#)

[Nepal](#)

[Nicaragua](#)

[Philippines](#)

[Sudan](#)

[Tajikistan](#)

[Trinidad and Tobago](#)

[Venezuela](#)

[Zimbabwe](#)

### Afghanistan

In June 2012, Afghanistan made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Afghanistan will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (3) implementing an adequate AML/CFT supervisory and oversight programme for all financial sectors; (4) establishing and implementing adequate procedures for the confiscation of assets related to money laundering; (5) establishing a fully operational and effectively functioning Financial Intelligence Unit; and (6) establishing and implementing effective controls for cross-border cash transactions. The FATF encourages Afghanistan to address its remaining deficiencies and continue the process of implementing its action plan.



## **Albania**

In June 2012, Albania made a high-level political commitment to work with the FATF and MONEYVAL to address its strategic AML/CFT deficiencies. Albania has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Albania will work on implementing its action plan to address these deficiencies, including by: (1) implementing adequate customer due diligence provisions; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; and (3) enhancing the framework for international co-operation related to terrorist financing. The FATF encourages Albania to address its remaining deficiencies and continue the process of implementing its action plan.

## **Algeria**

In October 2011, Algeria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. The FATF has concerns that strategic AML/CFT deficiencies remain and, therefore, further engagement with Algeria is needed to clarify whether these deficiencies have been addressed. Algeria should continue to work on implementing its action plan, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (3) improving and broadening customer due diligence measures; and (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit (FIU). The FATF encourages Algeria to address its deficiencies and continue the process of implementing its action plan.

## **Angola**

In June 2010, Angola made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Since February 2012, Angola has taken steps towards improving its AML/CFT regime, including by issuing customer due diligence regulations. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Angola should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit; and (3) establishing and implementing an adequate legal framework to identify and freeze terrorist assets without delay. The FATF encourages Angola to address its remaining deficiencies and continue the process of implementing its action plan.

## **Antigua and Barbuda**

In February 2010, Antigua and Barbuda made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic AML/CFT deficiencies remain. Antigua and Barbuda should continue to work on implementing its action plan to address these deficiencies, including by continuing to improve the overall supervisory framework and to work with the Organisation of Eastern Caribbean States to this end. The FATF encourages Antigua and Barbuda to address its remaining deficiencies and continue the process of implementing its action plan.

## **Argentina**

In June 2011, Argentina made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Since February 2012, Argentina has taken substantial steps towards improving its AML/CFT regime, including by issuing a Presidential Decree creating a framework for freezing terrorist-related assets and issuing further FIU

resolutions to reporting parties. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Argentina should continue to work on implementing its action plan to address these deficiencies, including by: (1) addressing the remaining deficiencies with regard to the criminalisation of money laundering; (2) further improving procedures for the confiscation of funds related to money laundering and freezing terrorist assets; (3) enhancing financial transparency; (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit and improving suspicious transaction reporting requirements; (5) further enhancing the AML/CFT supervisory programme for all financial sectors; (6) further improving and broadening customer due diligence measures; and (7) establishing appropriate channels for international co-operation and ensuring effective implementation. The FATF encourages Argentina to address its remaining deficiencies and continue the process of implementing its action plan.

## **Bangladesh**

In October 2010, Bangladesh made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since February 2012, Bangladesh has taken steps towards improving its AML/CFT regime, including by enacting a Mutual Legal Assistance Act. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Bangladesh should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit; (4) improving international co-operation; and (5) issuing guidance to capital markets intermediaries to ensure their AML/CFT obligations are complied with. The FATF encourages Bangladesh to address its remaining deficiencies and continue the process of implementing its action plan.

## **Brunei Darussalam**

In June 2011, Brunei Darussalam made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since February 2012, Brunei Darussalam has taken steps towards improving its AML/CFT regime, including by issuing the Criminal Asset Recovery Order, 2012 and the Anti-Terrorism Order (Amendment) Order, 2012. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Brunei Darussalam should continue to work on implementing its action plan to address these deficiencies, including by: (1) establishing and implementing adequate procedures to identify and freeze terrorist assets; (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit; and (3) enacting and implementing appropriate mutual legal assistance legislation. The FATF encourages Brunei Darussalam to address its remaining deficiencies and continue the process of implementing its action plan.

## **Cambodia**

In June 2011, Cambodia made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic AML/CFT deficiencies remain. Cambodia should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) establishing and implementing adequate procedures for the confiscation of funds related to money laundering; (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit; and (5) establishing and implementing effective controls for cross-border cash transactions. The FATF encourages Cambodia to address its remaining deficiencies and continue the process of implementing its action plan.

## **Kuwait**

In June 2012, Kuwait made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Kuwait will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) implementing the 1999 International Convention for the Suppression of Financing of Terrorism; (3) establishing and implementing adequate procedures to identify and freeze terrorist assets; (4) ensuring that appropriate laws and procedures are in place to provide mutual legal assistance; (5) establishing effective customer due diligence measures; (6) ensuring a fully operational and effectively functioning Financial Intelligence Unit (FIU), in particular addressing the operational autonomy of the FIU; and (7) ensuring that financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to money laundering and terrorist financing. The FATF encourages Kuwait to address its remaining deficiencies and continue the process of implementing its action plan.

## **Kyrgyzstan**

In October 2011, Kyrgyzstan made a high-level political commitment to work with the FATF and EAG to address its strategic AML/CFT deficiencies. Since February 2012, Kyrgyzstan has taken steps towards improving its AML/CFT regime, including by establishing an AML/CFT Commission. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Kyrgyzstan should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets; (3) establishing and implementing adequate measures for the confiscation of funds related to money laundering; (4) establishing effective customer due diligence measures for all financial institutions; and (5) implementing an adequate and effective AML/CFT supervisory programme for all financial sectors. The FATF encourages Kyrgyzstan to address its deficiencies and continue the process of implementing its action plan, specifically enacting the necessary AML/CFT amendments.

## **Mongolia**

In June 2011, Mongolia made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since February 2012, Mongolia has taken steps towards improving its AML/CFT regime, including by strengthening operational coordination between the FIU and law enforcement. However, the FATF has determined that strategic AML/CFT deficiencies remain. Mongolia should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) establishing adequate procedures for the confiscation of funds related to money laundering; (4) establishing suspicious transaction reporting requirements; and (5) demonstrating effective regulation of money service providers. The FATF encourages Mongolia to address its remaining deficiencies and continue the process of implementing its action plan.

## **Morocco**

In February 2010, Morocco made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Since then, Morocco has demonstrated progress in improving its AML/CFT regime, including by adopting amendments to extend the scope of the money laundering and terrorist financing offences, to broaden customer due diligence requirements and taking steps to operationalise the Financial Intelligence Unit. However, the FATF has determined that certain strategic AML/CFT

deficiencies remain. Morocco should continue to work on implementing its action plan to address these deficiencies, including by adequately criminalising terrorist financing.

## **Namibia**

In June 2011, Namibia made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. Namibia has taken steps towards improving its AML/CFT regime, including ratifying the International Convention for the Suppression of Financing of Terrorism. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Namibia should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) implementing an adequate AML/CFT supervisory programme with sufficient powers; (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit (FIU), in particular addressing the operational autonomy of the FIU; and (5) implementing effective, proportionate and dissuasive sanctions in order to deal with non-compliance with the national AML/CFT requirements. The FATF encourages Namibia to address its remaining deficiencies and continue the process of implementing its action plan.

## **Nepal**

In February 2010, Nepal made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since February 2012, Nepal enacted Mutual Legal Assistance and Extradition Ordinances and issued directives related to the freezing of terrorist assets and to financial institutions on customer due diligence. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Nepal should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) implementing adequate procedures for the confiscation of funds related to money laundering; (4) enacting and implementing appropriate mutual legal assistance legislation; (5) ensuring a fully operational and effectively functioning Financial Intelligence Unit; and (6) establishing adequate STR reporting obligations for ML and FT. The FATF encourages Nepal to address its remaining deficiencies and continue the process of implementing its action plan.

## **Nicaragua**

In June 2011, Nicaragua made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Nicaragua should continue to work on implementing its action plan to address these deficiencies, including by: (1) establishing effective customer due diligence measures and record-keeping requirements, in particular entities not currently regulated by the supervisory authority; (2) establishing adequate STR reporting obligations for ML and FT; (3) implementing an adequate AML/CFT supervisory programme for all financial sectors; (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit; and (5) establishing adequate procedures for identifying and freezing terrorist assets. The FATF encourages Nicaragua to address its remaining deficiencies, to continue the process of implementing its action plan.

## **Philippines**

In October 2010, the Philippines made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since February 2012, the Philippines has taken significant steps to improve its AML/CFT system, including by enacting one of the amendments to the AML Act and enacting a CFT Law. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. The Philippines

should continue to work on implementing its action plan to address these deficiencies, including by: (1) taking additional measures to adequately criminalise money laundering; (2) ensuring adequate procedures to identify and freeze terrorist assets and further expanding provisions regarding confiscation of funds related to money laundering; and (3) extending coverage of reporting entities. The FATF encourages the Philippines to address its remaining deficiencies and continue the process of implementing its action plan. In particular, the FATF strongly encourages the Philippines to enact the pending legislative amendment on AML.

## **Sudan**

In February 2010, Sudan made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Sudan should continue to work on implementing its action plan to address these deficiencies, including by: (1) implementing adequate procedures for identifying and freezing terrorist assets; (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit; and (3) ensuring an effective supervisory programme for AML/CFT compliance. The FATF encourages Sudan to address its remaining deficiencies and continue the process of implementing its action plan.

## **Tajikistan**

In June 2011, Tajikistan made a high-level political commitment to work with the FATF and EAG to address its strategic AML/CFT deficiencies. Since February 2012, Tajikistan has taken steps towards improving its AML/CFT regime, including enhancing its financial intelligence unit and amending its Criminal Code to improve its criminalisation of money laundering and terrorist financing. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Tajikistan should continue to work on implementing its action plan to address these deficiencies, including by: (1) addressing remaining issues regarding criminalisation of money laundering and terrorist financing; (2) establishing and implementing adequate procedures for the confiscation of funds related to money laundering and identifying and freezing terrorist assets; (3) ensuring a fully operational, and effectively functioning Financial Intelligence Unit and improving suspicious transaction reporting requirements; and (4) improving and broadening customer due diligence measures. The FATF encourages Tajikistan to address its remaining deficiencies and continue the process of implementing its action plan.

## **Trinidad and Tobago**

In February 2010, Trinidad and Tobago made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. Since February 2012, Trinidad and Tobago demonstrated progress in improving its AML/CFT regime, including by appointing a permanent director for its financial intelligence unit and adopting procedures to identify and freeze terrorist assets. The FATF will conduct an on-site visit to confirm that the process of implementing the required reforms and actions is underway to address deficiencies previously identified by the FATF.

## **Venezuela**

In October 2010, Venezuela made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. Since then, Venezuela has taken steps towards improving its AML/CFT regime, including by enacting AML/CFT legislation that criminalises terrorist financing and establishes suspicious transaction reporting (STR) obligations for money laundering and financing of terrorism, and issuing a new resolution aimed at addressing deficiencies in the terrorist asset freezing regime. However, the FATF has determined that a strategic deficiency remains. Venezuela should continue to work on implementing its action plan to address the remaining strategic deficiency, primarily by

establishing and implementing adequate procedures to identify and freeze terrorist assets. The FATF encourages Venezuela to address its remaining deficiencies and continue the process of implementing its action plan.

## **Zimbabwe**

In June 2011, Zimbabwe made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. The FATF has determined that strategic AML/CFT deficiencies remain. Zimbabwe should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit; (4) ensuring that financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to money laundering and the financing of terrorism; (5) enacting and implementing appropriate mutual legal assistance legislation; and (6) implementing the 1999 International Convention for the Suppression of Financing of Terrorism. The FATF encourages Zimbabwe to address its remaining deficiencies and continue the process of implementing its action plan.

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## **Turkmenistan**

The FATF welcomes Turkmenistan's significant progress in improving its AML/CFT regime and notes that Turkmenistan has largely met its commitments in its Action Plan regarding the strategic deficiencies that the FATF had identified. Turkmenistan is therefore no longer subject to FATF's monitoring process under its on-going global AML/CFT compliance process. Turkmenistan will work with EAG as it continues to address the full range of AML/CFT issues identified in its Mutual Evaluation Report, and further strengthen its AML/CFT regime.