



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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UBD.CO.BPD (PCB) Cir.No.1/14.01.062/2011-12

August 03, 2011

The Chief Executive Officer of
All AD Category I Primary (Urban) Co-operative Banks

Madam/Dear Sir,

Anti-Money Laundering (AML)/Combating of Financing of Terrorism (CFT) – Standards – Primary (Urban) Co-operative Banks

Please refer to our circular [UBD. CO.BPD \(PCB\).Cir.No.9/14.01.062/2010-11 dated May 02, 2011](#) on risks arising from the deficiencies in AML/CFT regime of Iran and Democratic People's Republic of Korea (DPRK).

2. Financial Action Task Force (FATF) has updated its Statement on June 24, 2011 on the subject ([copy enclosed](#)) calling its members and other jurisdictions to apply counter-measures to protect the international financial system from the ongoing and substantial money laundering and terrorist financing risks emanating from Iran and DPRK.

3. This advisory note does not preclude Urban Co-operative Banks entering into legitimate trade and business transactions with Iran.

4. FATF has also identified 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 in the Statement: Bolivia, Cuba, Ethiopia, Kenya, Myanmar, Sri Lanka, Syria and Turkey.

5. Urban Co-operative Banks are accordingly advised to take into account risks arising from the deficiencies in AML/CFT regime of these countries, while entering into business relationships and transactions with persons (including legal persons and other financial institutions) from or in these countries/jurisdictions.

6. The Compliance Officer/Principal Officer of the bank should acknowledge receipt of this circular to our Regional Office concerned.

Yours faithfully,

(M. Nanda Kumar)
General Manager

Encl: As above