



# Department of the Treasury Financial Crimes Enforcement Network

## Advisory

FIN-2010-A013

Issued: November 18, 2010

**Subject: Guidance to Financial Institutions Based on the Financial Action Task Force Publication on Anti-Money Laundering and Counter-Terrorist Financing Risks posed by Angola; Antigua and Barbuda; Bangladesh; Bolivia; Ecuador; Ethiopia; Ghana; Greece; Honduras; Indonesia, Kenya; Morocco; Burma (Myanmar); Nepal; Nigeria; Pakistan; Paraguay; Philippines; São Tomé and Príncipe; Sri Lanka; Sudan; Syria; Tanzania; Thailand; Trinidad and Tobago; Turkey; Turkmenistan; Ukraine; Venezuela; Vietnam; and Yemen**

---

The Financial Crimes Enforcement Network (FinCEN) is issuing this advisory to inform banks and other financial institutions operating in the United States of the risks associated with jurisdictions identified by the Financial Action Task Force (FATF)<sup>1</sup> on October 22, 2010, as having strategic deficiencies in their anti-money laundering and counter-terrorist financing (AML/CFT) regimes.<sup>2</sup>

The FATF publication comes in response to the G-20 leaders' call for the FATF to reinvigorate its process for assessing countries' compliance with international AML/CFT standards and to publicly identify high risk jurisdictions.<sup>3</sup> Also, in June 2010, the G-20 leaders called for FATF to issue regular updates on jurisdictions with strategic deficiencies.<sup>4</sup> The text highlights jurisdictions with strategic AML/CFT deficiencies for which each jurisdiction has provided a high-level political commitment to address the strategic AML/CFT deficiencies. FATF explains its specific concerns regarding each of the jurisdictions and notes it will continue to monitor the

---

<sup>1</sup> The FATF is a 36-member inter-governmental policy-making body whose purpose is to establish international standards and develop and promote policies, both at national and international levels, to combat money laundering and terrorist financing. See [www.fatf-gafi.org](http://www.fatf-gafi.org). The United States is a member of the FATF. See also, previous FATF statements of October 11, 2007; February 28, 2008; June 20, 2008; October 16, 2008; February 27, 2009; June 29, 2009; October 16, 2009; February 22, 2010; June 28, 2010; and October 22, 2010. All of FATF's public statements are available, at [http://www.fatf-gafi.org/findDocument/0,3354,en\\_32250379\\_32236992\\_1\\_33632055\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/findDocument/0,3354,en_32250379_32236992_1_33632055_1_1_1,00.html).

<sup>2</sup> The FATF issued two documents: (i) a public statement, at [http://www.fatf-gafi.org/document/36/0,3343,en\\_32250379\\_32236992\\_46236900\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/36/0,3343,en_32250379_32236992_46236900_1_1_1_1,00.html); and (ii) a publication entitled "Improving Global AML/CFT Compliance: update ongoing process," at [http://www.fatf-gafi.org/document/31/0,3343,en\\_32250379\\_32236992\\_46237087\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/31/0,3343,en_32250379_32236992_46237087_1_1_1_1,00.html).

<sup>3</sup> See "Declaration on Strengthening the Financial System: London Summit, April 2, 2009," at <http://www.londonsummit.gov.uk/resources/en/PDF/annex-strengthening-fin-sysm> and "Leaders' Statement: The Pittsburgh Summit, September 24 - 25, 2009," at <http://www.pittsburghsummit.gov/mediacenter/129639.htm>.

<sup>4</sup> See "The G-20 Toronto Summit Declaration, June 26-27, 2010," at [http://www.g20.org/Documents/g20\\_declaration\\_en.pdf](http://www.g20.org/Documents/g20_declaration_en.pdf).

implementation of each jurisdiction's action plan for addressing the deficiencies. On an ongoing basis, FATF will continue to update information on these and other jurisdictions that pose a risk to the international financial system.

Please note that the countries on this advisory have changed since our last Advisory, dated July 16, 2010. In particular, São Tomé and Príncipe has been added to this document after providing a high-level political commitment to work with the FATF to address strategic AML/CFT deficiencies. Further, new jurisdictions identified in the FATF document are: Bangladesh, Ghana, Honduras, Philippines, Tanzania, Venezuela, and Vietnam. Additionally, this advisory includes FATF's update on the substantial AML/CFT improvements in Qatar and Azerbaijan, each of which has been removed from the FATF monitoring process. Qatar and Azerbaijan will continue to work with their respective FATF-style regional bodies (FSRBs) to strengthen their AML/CFT regimes. Also, note that FinCEN is issuing today a complementary advisory, FIN-2010-A012,<sup>5</sup> which addresses a separate but related FATF document regarding a different group of jurisdictions.

**IMPROVING GLOBAL AML/CFT COMPLIANCE:  
UPDATE ON-GOING PROCESS  
22 October 2010<sup>6</sup>**

As part of its ongoing 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. 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 ongoing basis, that pose a risk in the international financial system. The new jurisdictions identified in this document are: Bangladesh, Ghana, Honduras, Philippines, Tanzania, Venezuela, and Vietnam. The FATF has additionally begun initial reviews of a number of other jurisdictions as part of this process and will present its findings next year.

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

---

<sup>5</sup>[\[Fin-2010-A012\]](#)

<sup>6</sup> The text makes reference to the relevant FSRBs with whom FATF will continue to work to address the deficiencies identified. These FSRBs include: Caribbean Financial Action Task Force (CFATF); the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL); Financial Action Task Force of South America Against Money Laundering (GAFISUD); Asia/Pacific Group on Money Laundering (APG); Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG); Middle East & North Africa Financial Action Task Force (MENAFATF); Eurasian group (EAG); and Intergovernmental Anti-Money Laundering Group in Africa (GIABA).

monitor the implementation of these action plans and encourages its members to consider the information presented below.

### **Angola**

In June 2010, Angola made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Since June, Angola has taken steps towards improving its AML/CFT regime, including by enacting an AML/CFT law and ratifying the UN Convention on Transnational Organised Crime. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Angola will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (3) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets (Special Recommendation III); and (4) ratifying the UN Convention for the Suppression of the Financing of Terrorism. 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. Since June, Antigua and Barbuda has taken steps towards improving its AML/CFT regime, including by passing the Cooperative Societies Bill framework. However, 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: (1) implementing an adequate legal framework for identifying and freezing terrorist assets (Special Recommendation III); (2) continuing to improve the overall supervisory framework (Recommendation 23); and (3) enhancing financial transparency (Recommendation 4). The FATF encourages Antigua and Barbuda 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. Bangladesh has taken steps towards improving its AML/CFT regime. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Bangladesh will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist

assets (Special Recommendation III); (3) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (5) improving suspicious transaction reporting requirements (Recommendation 13 and Special Recommendation IV); and (6) improving international cooperation (Recommendations 36 and 39 and Special Recommendation V). The FATF encourages Bangladesh to address its remaining deficiencies and continue the process of implementing its action plan.

## **Bolivia**

In February 2010, Bolivia made a high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic deficiencies remain. Bolivia should continue to work on implementing its action plan to address these deficiencies, including by: (1) ensuring adequate criminalisation of money laundering (Recommendation 1); (2) adequately criminalizing terrorist financing (Special Recommendation II); (3) establishing and implementing an adequate legal framework for identifying and freezing terrorist assets (Special Recommendation III); and (4) establishing a fully operational and effective Financial Intelligence Unit (Recommendation 26). The FATF encourages Bolivia to address its remaining deficiencies and continue the process of implementing its action plan.

## **Ecuador**

In June 2010, Ecuador made a high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies. Since June, Ecuador has taken steps towards improving its AML/CFT regime, including by tabling a revised AML/CFT law. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Ecuador will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); and (4) reinforcing and improving coordination of financial sector supervision (Recommendation 23). The FATF encourages Ecuador to address its remaining deficiencies and continue the process of implementing its action plan.

## **Ethiopia**

In June 2010, Ethiopia made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Ethiopia will

work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing an adequate legal framework and procedures to identify and freeze terrorist assets (Special Recommendation III); (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (4) raising awareness of AML/CFT issues within the law enforcement community (Recommendation 27); and (5) 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 (Recommendation 17). The FATF encourages Ethiopia to address its remaining deficiencies and continue the process of implementing its action plan.

## **Ghana**

In October 2010, Ghana made a high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies. Ghana has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Ghana will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate measures for the confiscation of funds related to money laundering (Recommendation 3); (3) establishing effective CDD measures (Recommendation 5); (4) establishing a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); and (5) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III). The FATF encourages Ghana to address its remaining deficiencies and continue the process of implementing its action plan.

## **Greece**

In February 2010, Greece made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Since June, Greece has taken steps towards improving its AML/CFT regime, including by taking measures to enhance the effectiveness of the FIU and adopting legislation to adequately criminalise terrorist financing. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Greece should continue to work on implementing its action plan to address these deficiencies, including by: (1) improving existing mechanisms and procedures for freezing terrorist assets under UNSCR 1373 (Special Recommendation III); and (2) further enhancing the effectiveness of the FIU (Recommendation 26). The FATF encourages Greece to address its remaining deficiencies and continue the process of implementing its action plan.

## **Honduras**

In October 2010, Honduras made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. Honduras has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Honduras will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); and (4) improving and broadening CDD measures (Recommendation 5). The FATF encourages Honduras to address its remaining deficiencies and continue the process of implementing its action plan.

## **Indonesia**

In February 2010, Indonesia made a high-level political commitment to work with the FATF and the APG to address its strategic AML/CFT deficiencies. Since June, Indonesia has taken steps towards improving its AML/CFT regime, including by approving a new AML law on October 2010. However, the FATF has determined that 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 (Special Recommendation II); (2) ensuring effective criminalisation of money laundering (Recommendation 1); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); and (3) amending and implementing laws or other instruments to fully implementing the 1999 International Convention for the Suppression of Financing of Terrorism (Special Recommendation I). The FATF encourages Indonesia to address its remaining deficiencies and continue the process of implementing its action plan.

## **Kenya**

In February 2010, Kenya made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Kenya should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing (Special Recommendation II); (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (3) establishing and implementing an adequate legal framework for identifying and freezing terrorist assets (Special Recommendation III); (4) raising awareness of AML/CFT issues within the law enforcement community (Recommendation 27); and (5) 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 (Recommendation 17). The FATF encourages Kenya 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 June, Morocco has taken steps towards improving its AML/CFT regime, including by taking initial steps to make the FIU more operational. 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: (1) amending the penal code to extend the scope of the ML and FT offences (Recommendation 1 and Special Recommendation II); (2) amending relevant laws or regulations to address deficiencies in customer due diligence requirements (Recommendation 5); and (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26). The FATF encourages Morocco to address its remaining deficiencies and continue the process of implementing its action plan.

## **Myanmar**

In February 2010, Myanmar made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) strengthening the extradition framework in relation to terrorist financing (Recommendation 35 and Special Recommendation I); (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (5) enhancing financial transparency (Recommendation 4); and (6) strengthening customer due diligence measures (Recommendations 5). The FATF encourages Myanmar 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 June, Nepal has taken steps towards improving its AML/CFT regime, including by tabling draft amendments on money laundering and terrorist financing. 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 (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); and (4) enacting and implementing appropriate mutual legal assistance legislation (Recommendation 36). The FATF encourages Nepal to address its remaining deficiencies and continue the process of implementing its action plan.

## **Nigeria**

In February 2010, Nigeria made a high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Nigeria should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) ensuring that relevant laws or regulations address deficiencies in customer due diligence requirements and that they apply to all financial institutions (Recommendation 5); and (4) demonstrating that AML/CFT supervision is undertaken effectively across the financial sector (Recommendation 23). The FATF encourages Nigeria to address its remaining deficiencies and continue the process of implementing its action plan.

## **Pakistan**

In June 2010, Pakistan made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since June, Pakistan has taken steps towards improving its AML/CFT regime, including by broadening the scope of ML predicate offences. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Pakistan will work on implementing its action plan to address these deficiencies, including by (1) demonstrating adequate criminalisation of money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) demonstrating adequate procedures to identify, freeze and confiscate terrorist assets (Special Recommendation III); (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (4) demonstrating effective regulation of money service providers, including an appropriate sanctions regime, and increasing the range of ML/FT preventive measures for these services (Special Recommendation VI); and (5) improving and implementing effective controls for cross-border cash transactions (Special Recommendation IX). The FATF encourages Pakistan to address its remaining deficiencies and continue the process of implementing its action plan.

## **Paraguay**



In February 2010, Paraguay made a high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies. Since June, Paraguay has taken steps towards improving its AML/CFT regime, including by establishing some fundamental CDD measures. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Paraguay should continue to work on implementing its action plan to address these deficiencies, including by: (1) establishing and implementing adequate procedures to identify, freeze and confiscate terrorist assets (Special Recommendation III); (2) improving financial transparency (Recommendation 4); (3) improving and broadening customer due diligence measures (Recommendation 5); and (4) implementing effective controls for cross-border cash transactions (Special Recommendation IX). The FATF encourages Paraguay to address its remaining deficiencies and 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. The Philippines has taken steps towards improving its AML/CFT regime. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. The Philippines will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) implementing adequate procedures to identify and freeze terrorist assets and confiscate funds related to money laundering (Special Recommendation III and Recommendation 3); (3) enhancing financial transparency (Recommendation 4); (4) ensuring capacity and financial resources for competent authorities (Recommendation 30); and (5) establishing effective CDD measures (Recommendation 5). The FATF encourages the Philippines to address its remaining deficiencies and continue the process of implementing its action plan.

### **São Tomé and Príncipe**

In October 2010, São Tomé and Príncipe made a high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. São Tomé and Príncipe will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (3) ensuring that financial institutions and DNFBPs are subject to adequate AML/CFT regulation and supervision, and that competent authority or authorities have been designated to ensure compliance with AML/CFT requirements (Recommendations 23, 24 and 29); (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 (Recommendation 17); and (5) taking the necessary action to gain membership of GIABA. The FATF encourages São Tomé and Príncipe to address its remaining deficiencies and continue the process of implementing its action plan.

### **Sri Lanka**

In February 2010, Sri Lanka made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Sri Lanka should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); and (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III). The FATF encourages Sri Lanka to address its remaining deficiencies and continue the process of implementing its action plan.

### **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. Since June, Sudan has taken steps towards improving its AML/CFT regime, including by conducting outreach to financial institutions on AML/CFT obligations and taking initial steps to operationalise the FIU. 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 (Special Recommendation III); (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (3) ensuring financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to ML and FT (Recommendation 13 and Special Recommendation IV); and (4) implementing a supervisory programme for the regulators to ensure compliance with the provisions of the new law and regulations (Recommendation 23). The FATF encourages Sudan to address its remaining deficiencies and continue the process of implementing its action plan.

### **Syria**

In February 2010, Syria 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. Syria should continue to work on implementing its action plan to address these deficiencies, including by: (1) adopting adequate measures to implement and enforce the 1999 International Convention for the Suppression of Financing of

Terrorism (Special Recommendation I); (2) adequately criminalising terrorist financing (Special Recommendation II); (3) implementing adequate procedures for identifying and freezing terrorist assets (Special Recommendation III); (4) ensuring financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to ML and FT (Recommendation 13 and Special Recommendation IV) and (5) adopting appropriate laws and procedures to provide mutual legal assistance (Recommendations 36-38, Special Recommendation V). The FATF encourages Syria to address its remaining deficiencies and continue the process of implementing its action plan.

## **Tanzania**

In October 2010, Tanzania made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. Tanzania has taken steps towards improving its AML/CFT regime. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Tanzania will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets as well as implementing the UNSCR 1267 and 1373 through law, regulations or other enforceable means (Special Recommendation III); (3) establishing effective CDD measures (Recommendation 5); (4) establishing adequate record-keeping requirements (Recommendation 10); (5) establishing a fully operational and effectively functioning national Financial Intelligence Unit (Recommendation 26); and (6) designating competent authorities to ensure compliance with AML/CFT requirements (Recommendation 23). The FATF encourages Tanzania to address its remaining deficiencies and continue the process of implementing its action plan.

## **Thailand**

In February 2010, Thailand made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Thailand should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); and (3) further strengthening AML/CFT supervision (Recommendation 23). The FATF encourages Thailand 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. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Trinidad and Tobago should continue to work on implementing its action plan to address these deficiencies, including by: (1) implementing adequate procedures to identify and freeze terrorist assets without delay (Special Recommendation III); (2) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); and (3) establishing a fully operational and effectively functioning FIU, including supervisory powers (Recommendation 26). The FATF encourages Trinidad and Tobago to address its remaining deficiencies and continue the process of implementing its action plan.

### **Turkey**

In February 2010, Turkey made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Since June, Turkey has taken steps towards improving its AML/CFT regime, including by working on draft CFT legislation. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Turkey should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing (Special Recommendation II); and (2) implementing an adequate legal framework for identifying and freezing terrorist assets (Special Recommendation III). The FATF encourages Turkey to address its remaining deficiencies and continue the process of implementing its action plan.

### **Turkmenistan**

In June 2010, Turkmenistan made a high-level political commitment to work with the FATF and EAG to address its strategic AML/CFT deficiencies. Since June, Turkmenistan has taken steps towards improving its AML/CFT regime, including by holding training workshops to build the capacity of its FIU. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Turkmenistan will work on implementing its action plan to address these deficiencies, including by: (1) addressing the remaining issues with the criminalisation of money laundering and terrorist financing (Recommendation 1 and Special Recommendation II), (2) implementing adequate procedures to identify and freeze terrorist assets without delay (Special Recommendation III); (3) ensuring a fully operational and effectively functioning FIU (Recommendation 26), (4) developing collaboration between the FIU and domestic counterparts, including supervisory authorities, and (5) strengthening international cooperation. The FATF encourages Turkmenistan to address its remaining deficiencies and continue the process of implementing its action plan.

### **Ukraine**

In February 2010, Ukraine made a high-level political commitment to work with the FATF and MONEYVAL to address its strategic AML/CFT deficiencies. Since June, Ukraine has taken steps towards improving its AML/CFT regime, including by bringing a new AML/CFT law into force. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Ukraine should continue to work on implementing its action plan to address these deficiencies, including by: (1) addressing remaining issues regarding criminalisation of money laundering (Recommendation 1); and (2) improving and implementing an adequate legal framework for identifying and freezing terrorist assets (Special Recommendation III). The FATF encourages Ukraine to address its remaining deficiencies and continue the process of implementing its action plan.

### **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. Venezuela has taken steps towards improving its AML/CFT regime. However, the FATF has determined that certain strategic deficiencies remain. Venezuela will work with the FATF and CFATF on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (4) implementing adequate CDD guidelines for all sectors (Recommendation 5); and (5) establishing adequate STR reporting obligations for ML and TF (Recommendation 13 and Special Recommendation IV). The FATF encourages Venezuela to address its remaining deficiencies and continue the process of implementing its action plan.

### **Vietnam**

In October 2010, Vietnam made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Vietnam has taken steps towards improving its AML/CFT regime. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Vietnam will work with the FATF and the APG on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) improving the overall supervisory framework (Recommendation 23); (4) improving and broadening customer due diligence measures and reporting requirements (Recommendation 5, 13, and Special Recommendation IV); and (5) strengthening international cooperation (Recommendations 36, 40). The FATF encourages Vietnam to address its remaining deficiencies and continue the process of implementing its action plan.

## **Yemen**

In February 2010, Yemen made a high-level political commitment to work with the FATF and MENFATF to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic deficiencies remain. Yemen should continue to work on implementing its action plan to address these deficiencies, including by: (1) issue regulations to implement AML law; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) issuing substantive guidance/instructions to reporting institutions with respect to their ML/FT obligations (Recommendation 25); (4) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the FIU, to ensure compliance by financial institutions with their STR obligations, especially in relation to FT (Recommendation 23); and (5) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26). The FATF encourages Yemen to address its remaining deficiencies and continue the process of implementing its action plan.

In February 2010, the FATF identified the following jurisdictions as having strategic AML/CFT deficiencies. Since then, they have substantially addressed the strategic deficiencies identified in their action plans and will be removed from this FATF monitoring process. The jurisdictions will continue to work with their respective FSRBs to improve their AML/CFT regimes.

### **Qatar**

The FATF welcomes Qatar's significant progress in improving its AML/CFT regime and notes that Qatar has met its commitments in its Action Plan regarding the strategic AML/CFT deficiencies that the FATF had identified in February 2010. Qatar is therefore no longer subject to FATF's monitoring process under its ongoing global AML/CFT compliance process. Qatar will work with MENAFATF as it continues to address the full range of AML/CFT issues identified in its Mutual Evaluation Report, in particular compliance with Special Recommendation III (adequate procedures to identify and freeze terrorist assets).

### **Azerbaijan**

The FATF welcomes Azerbaijan's significant progress in improving its AML/CFT regime and notes that Azerbaijan has met its commitments in its Action Plan regarding the strategic AML/CFT deficiencies that the FATF had identified in February 2010. Azerbaijan is therefore no longer subject to FATF's monitoring process under its ongoing global AML/CFT compliance process. Azerbaijan will work with MONEYVAL as it continues to address the full range of AML/CFT issues identified in its Mutual Evaluation Report, particularly compliance with SRIII (adequate procedures to identify and freeze terrorist assets).

In addition to issuing the above document, the "Outcomes of FATF Plenary meeting Paris, 20-22 October 2010" states that "[t]he FATF adopted the mutual evaluation report on the anti-money laundering and combating the financing of terrorism (AML/CFT) system of Argentina. The FATF expressed its disappointment and serious concern regarding Argentina's failure to implement an adequate and effective AML/CFT system and will engage closely with Argentina to ensure that it quickly rectifies the identified deficiencies. A summary of the comprehensive assessment will soon be on the FATF website and the full report will be released in the coming weeks."<sup>7</sup>

## **FinCEN Guidance**

U.S. financial institutions should consider the risks associated with the AML/CFT deficiencies of jurisdictions in the FATF publication entitled, "Improving Global AML/CFT Compliance: update on -going process": **Angola; Antigua and Barbuda; Bangladesh; Bolivia; Ecuador; Ethiopia; Ghana; Greece; Honduras; Indonesia, Kenya; Morocco; Burma (Myanmar); Nepal; Nigeria; Pakistan; Paraguay; Philippines; São Tomé and Príncipe; Sri Lanka; Sudan; Syria; Tanzania; Thailand; Trinidad and Tobago; Turkey; Turkmenistan; Ukraine; Venezuela; Vietnam; and Yemen; and the FATF's serious concern regarding Argentina.** With respect to these jurisdictions, U.S. financial institutions are reminded of their obligations to comply with the general due diligence obligations under 31 CFR § 103.176 (a) (future 31 CFR § 1010.610(a)).

As required under 31 CFR § 103.176(a) (future 31 CFR § 1010.610(a)), covered financial institutions should ensure that their due diligence programs, which address correspondent accounts maintained for foreign financial institutions, include appropriate, specific, risk-based, and, where necessary, enhanced policies, procedures, and controls that are reasonably designed to detect and report known or suspected money laundering activity conducted through or involving any correspondent account established, maintained, administered, or managed in the United States.

Additionally, as required under 31 CFR § 103.15 (future 31 CFR § 1024.320), 31 CFR § 103.16 (future 31 CFR § 1025.320), 31 CFR § 103.17 (future 31 CFR § 1026.320), 31 CFR § 103.18 (future 31 CFR § 1020.320), 31 CFR § 103.19 (future 31 CFR § 1023.320), 31 CFR § 103.20 (future 31 CFR § 1022.320), 31 CFR § 103.21 (future 31 CFR § 1021.320), if a financial institution knows, suspects, or has reason to suspect that a transaction involves funds derived from illegal activity or that a customer has otherwise engaged in activities indicative of money laundering, terrorist financing, or other violation of federal law or regulation, the financial institution shall then file a Suspicious Activity Report.

---

<sup>7</sup> See the Outcomes of the FATF Plenary meeting, Paris, 20-22 October 2010, at [http://www.fatf-gafi.org/document/21/0,3343,en\\_32250379\\_32235720\\_46252373\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/21/0,3343,en_32250379_32235720_46252373_1_1_1_1,00.html).