

NOTICE / OVERSEAS JURISDICTIONS

This notice constitutes advice issued by Anguilla Financial Services Commission about risks posed by unsatisfactory money laundering controls in a number of jurisdictions.

The Anti-Money Laundering and Terrorist Financing Legislation require service providers to put in place policies, procedures or systems in order to prevent money laundering or terrorist financing. Regulated businesses are also required to apply enhanced customer due diligence and enhanced ongoing monitoring on a risk-sensitive basis in certain defined situations and in “any other situation which by its nature can present a higher risk of money laundering or terrorist financing”.

This advice, which is in three parts, A, B and C is especially relevant if you conduct any business with individuals or entities based in any of the jurisdictions referred to in Part A, B and C.

PART A: JURISDICTIONS WITH ONGOING AND SUBSTANTIAL MONEY LAUNDERING AND TERRORIST FINANCING (ML/TF) RISKS

On 25th February 2011 the Financial Action Task Force (FATF) issued a public statement drawing attention to serious deficiencies in the anti-money laundering and combating terrorist financing (AML/CFT) regimes of:

- Iran
- The Democratic People’s Republic of Korea (DPRK)

Anguilla fully supports the work of the FATF on these matters and the Anguilla Financial Services Commission agrees with the FATF’s assessments. All Anguilla businesses regulated under the Anti-Money Laundering and Terrorist Financing Legislation, whether financial institutions or other regulated persons should treat transactions associated with **Iran** and **Democratic People’s Republic of Korea** as situations that by their nature can present a higher risk of money laundering or terrorist financing, and which therefore require increased scrutiny, enhanced due diligence, and ongoing monitoring, particularly in the case of correspondent relationships.

All other persons regulated by the Anguilla Financial Services Commission should also take this advice into account in respect of their systems and controls to counter financial crime, and take appropriate actions to minimise the associated risks.

The full statement can be found here:

http://www.fatfgafi.org/document/11/0,3746,en_32250379_32236992_47221771_1_1_1_1,00.html

PART B: JURISDICTIONS WITH STRATEGIC DEFICIENCIES IN THEIR AML/CFT REGIME, WHICH HAVE DEVELOPED AN ACTION PLAN WITH THE FATF

The FATF has reviewed the progress of those jurisdictions on its separate statement regarding the ongoing process to improve global AML/CFT compliance. The FATF has separated this statement into two sections to reflect the FATF’s recognition that some jurisdictions have made

substantive improvements in their AML/CFT regimes, while others have not made sufficient progress.

I. The FATF recognizes that the following jurisdictions have made improvements in their AML/CFT regimes, however certain strategic AML/CFT deficiencies remain:

Antigua and Barbuda, Bangladesh, Ecuador, Ghana, Greece, Honduras, Indonesia, Morocco, Pakistan, Paraguay, Philippines, Sao Tomé and Príncipe, Sudan, Tanzania, Thailand, Turkmenistan, Ukraine, Venezuela, Vietnam and Yemen.

II. The FATF is not yet satisfied that the following jurisdictions have made sufficient progress on their action plan agreed upon with the FATF:

Angola, Bolivia, Ethiopia, Kenya, Myanmar, Nepal, Nigeria, Sri Lanka, Syria, Trinidad and Tobago, Turkey.

The attention of Anguilla financial institutions and other persons regulated for money-laundering purposes is drawn to the FATF statements in respect of each of those jurisdictions. They should take this advice into account in respect of their systems and controls to counter financial crime.

The FATF Statement is available at:

http://www.fatfgafi.org/document/49/0,3746,en_32250379_32236992_47221809_1_1_1_1,00.html

PART C: MUTUAL EVALUATION OF ARGENTINA

On 22nd October 2010 the FATF adopted the Mutual Evaluation Report of Argentina. The FATF Chairman's Summary identified Argentina as a jurisdiction that raises serious concerns due to substantial deficiencies in its AML/CFT regime. On 25th February the Chairman's Summary highlighted that the FATF maintained its concerns regarding the serious deficiencies in Argentina.

The attention of Anguilla financial institutions and other persons regulated for money laundering purposes is drawn to the Mutual Evaluation Report of Argentina and the FATF Chairman's Summary. They should take this into account in respect of their systems and controls to counter financial crime. The Mutual Evaluation Report and Chairman's Summary can be found here: www.fatf-gafi.org.