



Republic of Namibia

Financial Intelligence Centre

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## **FINANCIAL INTELLIGENCE CENTRE (FIC)**

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### **GENERAL COMPLIANCE CIRCULAR 01 of 2024**

**High Risk and Non-Cooperative Jurisdictions**

**27 February 2023**

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# FINANCIAL INTELLIGENCE CENTRE (FIC)

## Circular No. 01 of 2024

This circular is issued in terms of Section 9(1) (h), read with Section 24 of the Financial Intelligence Act, 2012 (Act No. 13 of 2012) as amended, and serves as notification to Accountable and Reporting Institutions (AIs and RIs) on high risk and non-cooperative jurisdictions identified by the Financial Action Task Force (FATF), to pay special attention to business relations and transactions with persons or institutions from or in countries listed in the public statements issued by the Financial Action Task Force (FATF) and to follow instructions contained herein.

### High risk and non-cooperative jurisdictions

The FATF:

- a) identifies jurisdictions that have strategic deficiencies in their national measures to combat money laundering, financing of terrorism and financing of proliferation activities;
- b) works with these jurisdictions to address identified deficiencies in order to protect the international financial system from money laundering, financing of terrorism and proliferation risks; and
- c) encourage greater compliance with its international standards on combating money laundering, financing of terrorism and financing of proliferation activities.

The FATF public statement of high risk and non-cooperative jurisdictions is attached hereto as **Annexure A** for ease of reference.

- **Public Statement on Russian Federation**

On 24 February 2023, the FATF Plenary suspended the membership of the Russian Federation. Following the statement issued since March 2022, the FATF reiterates that all jurisdictions should be vigilant to current and emerging risks from the circumvention of measures taken against the Russian Federation in order to protect the international financial system:

The FATF released a public statement drawing attention to the money laundering, terrorism financing and proliferation financing risks emanating from Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation deficiencies in national systems of several identified jurisdictions.

The suspension of the membership of the [Russian Federation](#) continues to stand. Following the statements issued since March 2022, the FATF continues to call upon all jurisdictions to remain vigilant of threats to the integrity, safety and security of the international financial system arising from the Russian Federation's war against Ukraine. The FATF reiterates that all jurisdictions should be alert to possible emerging risks from the circumvention of measures taken to protect the international financial system and take the necessary measures to mitigate these risks.

The publication as cited above can also be accessed at: <https://www.fatf-gafi.org/en/publications/Fatfgeneral/fatf-statement-russian-federation.html>

- **Jurisdictions no longer subject to increased monitoring by the FATF:**

Jurisdictions no longer subject to increased monitoring by the FATF:

- Barbados
- Uganda
- Gibraltar
- United Arab Emirates.

- **Jurisdictions under increased monitoring (“the Grey List”)**

Jurisdictions under increased monitoring are actively working with the FATF to address the strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolving swiftly, the identified strategic deficiencies within agreed timeframes. These jurisdictions are:

- Bulgaria,
- Burkina Faso,
- Cameroon,
- Democratic Republic of the Congo,
- Croatia,
- Haiti,
- Jamaica,
- Mali,
- Mozambique,
- Nigeria,
- Philippines,

- Senegal,
- South Africa,
- South Sudan,
- Syria,
- Tanzania,
- Türkiye,
- Vietnam,
- Yemen

New jurisdictions subject to increased monitoring are:

- Kenya, and
- Namibia

The publication as cited above can also be accessed at: <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-february-2024.html>

- **Jurisdictions subject to a call for action (“the Black List”)**

FATF identifies countries or jurisdictions with serious strategic deficiencies to counter money laundering, terrorist financing, and proliferation financing. These jurisdictions are subject to a call for action to protect the international financial system. No new countries/jurisdictions have been added to this list in its meeting on 27 October 2023.

The FATF, reaffirmed that its call for action on these high-risk jurisdictions published on 21 February 2020<sup>1</sup> remains in effect. The FATF calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money-laundering, financing of terrorism and proliferation risks emanating from these jurisdictions:

- Democratic People’s Republic of North Korea, and
- Iran,

New Jurisdiction added to the blacklist:

- Myanmar

The FATF placed Myanmar on its blacklist of jurisdictions for failing to implement its action plan to address its strategic deficiencies in combatting money laundering and terrorist financing in October 2022. FATF urges its members to exercise increased due diligence when dealing with Myanmar-based entities.

The deficiencies referred to in the FATF's statement in respect of these jurisdictions pose a risk to the integrity of the international financial system and exposes financial institutions engaging with counter-parts in these jurisdictions to the risk of involvement in transactions that may relate to money laundering, financing of terrorism or proliferation.

It is against this background that Accountable and Reporting institutions are required to:

- a) pay special attention to business relationships and transactions with persons in these jurisdictions, including companies, legal arrangements/trusts and financial institutions based in such jurisdictions;
- b) pay special attention to all complex, unusual large transactions and all unusual patterns of transactions which have no apparent economic or visible lawful purpose;
- c) pay special attention and apply enhanced due diligence measures proportionate to the risk to business relations and transactions with persons, including legal persons and trusts, from or in these countries;
- d) strengthen systems and controls in managing their exposure to the vulnerabilities identified by the FATF; and
- e) ensure that correspondent relationships, in particular, are not being used to evade countermeasures and risk mitigation practices.

The publication as cited above can also be accessed at: <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-february-2024.html>

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<sup>1</sup> <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-february-2020.html>

## **Non-compliance with the provisions of this Circular**

Any non-compliance with the directions and specifications contained in this Circular is an offence in terms of section 63 of the FIA.

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### **Further information**

Enquiries can be directed to the FIC Help Desk by:

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The information contained in this document is intended only to provide a summary and a general overview on these matters and is not intended to be comprehensive. This document may contain statements of policy which reflect FIC's administration of the legislation in carrying out its statutory functions.

The guidance provided by the Centre in this circular, even though authoritative, is not intended to replace the FIA or PACOTAPAA including Regulations issued thereunder.

The information contained herein is current as at the date of this document.

**Date issued: 27 February 2024**

**Director: Financial Intelligence Centre**

# Annexure A

## **High Risk jurisdictions subject to a Call for Action-Paris, 23 February 2024**

High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and, in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country. This list is often externally referred to as the “black list”. Since February 2020, in light of the COVID-19 pandemic, the FATF has paused the review process for Iran and DPRK, given that they are already subject to the FATF’s call for countermeasures. Iran reported in January 2024 with no material changes in the status of its action plan.

Given heightened proliferation financing risks, the FATF reiterates its call to apply countermeasures on these high-risk jurisdictions.

## **Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures**

### ***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 threats they pose to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, the FATF has serious concerns with the threat posed by the DPRK’s illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

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, financial institutions, and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/TF/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC resolutions.

## ***Iran***

In June 2016, Iran committed to address its strategic deficiencies. Iran's action plan expired in January 2018. In February 2020, the FATF noted Iran has not completed the action plan.[\[1\]](#)

In October 2019, the FATF called upon its members and urged all jurisdictions to: require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran; introduce enhanced relevant reporting mechanisms or systematic reporting of financial transactions; and require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran

Now, given Iran's failure to enact the Palermo and Terrorist Financing Conventions in line with the FATF Standards, the FATF fully lifts the suspension of counter-measures and calls on its members and urges all jurisdictions to apply effective counter-measures, in line with Recommendation 19.[\[2\]](#)

Iran will remain on the FATF statement on High Risk Jurisdictions Subject to a Call for Action until the full Action Plan has been completed. If Iran ratifies the Palermo and Terrorist Financing Conventions, in line with the FATF standards, the FATF will decide on next steps, including whether to suspend countermeasures. Until Iran implements the measures required to address the deficiencies identified with respect to countering terrorism-financing in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system.



# **Jurisdiction subject to a FATF call on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risks arising from the jurisdiction**

## ***Myanmar***

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

In October 2022, given the continued lack of progress and the majority of its action items still not addressed after a year beyond the action plan deadline, the FATF decided that further action was necessary in line with its procedures and FATF calls on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from Myanmar. When applying enhanced due diligence measures, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are not disrupted.

Since October 2023, Myanmar took steps to prioritise inspection of certain DNFBP sectors on a risk basis, however overall progress continues to be slow. Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) demonstrating an improved understanding of ML risks in key areas; (2) demonstrating that hundi operators are registered and supervised; (3) demonstrating enhanced use of financial intelligence in law enforcement authorities (LEAs) investigations, and increasing operational analysis and disseminations by the financial intelligence unit (FIU); (4) ensuring that ML is investigated/prosecuted in line with risks; (5) demonstrating investigation of transnational ML cases with international cooperation; (6) demonstrating an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value; (7) managing seized assets to preserve the value of seized goods until confiscation; and (8) addressing technical compliance deficiencies related to R.7 to ensure effective implementation of targeted financial sanctions related to proliferation financing

The FATF urges Myanmar to work to fully address its AML/CFT deficiencies, including to demonstrate that its monitoring and supervision of money or value transfer services (MVTs) is based on documented and sound understanding of ML/TF risks to mitigate undue scrutiny of legitimate financial flows.

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

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[1] In June 2016, the FATF welcomed Iran’s high-level political commitment to address its strategic AML/CFT deficiencies, and its decision to seek technical assistance in the implementation of the Action Plan. Since 2016, Iran established a cash declaration regime, enacted amendments to its Counter-Terrorist Financing Act and its Anti-Money Laundering Act, and adopted an AML by-law

In February 2020, the FATF noted that there are still items not completed and Iran should fully address: (1) adequately criminalizing terrorist financing, including by removing the exemption for designated groups “attempting to end foreign occupation, colonialism and racism”; (2) identifying and freezing terrorist assets in line with the relevant United Nations Security Council resolutions; (3) ensuring an adequate and enforceable customer due diligence regime; (4) demonstrating how authorities are identifying and sanctioning unlicensed money/value transfer service providers; (5) ratifying and implementing the Palermo and TF Conventions and clarifying the capability to provide mutual legal assistance; and (6) ensuring that financial institutions verify that wire transfers contain complete originator and beneficiary information.

[2] Countries should be able to apply appropriate countermeasures when called upon to do so by the FATF. Countries should also be able to apply countermeasures independently of any call by the FATF to do so. Such countermeasures should be effective and proportionate to the risks

[The Interpretative Note to Recommendation 19](#) specifies examples of the countermeasures that could be undertaken by countries.