Republic of Namibia

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GENERAL COMPLIANCE CIRCULAR 02 of 2025

High Risk and Non-Cooperative Jurisdictions

23 June 2025

FINANCIAL INTELLIGENCE CENTRE (FIC)

Circular No. 02 of 2025

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 to protect the international financial system from money laundering, financing 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 on 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. On 23 February 2024, FATF recalled its statement of 24 February 2023 in which the FATF members noted with concern the potential risks to the international financial system, including growing financial connectivity of Russia with countries subject to FATF countermeasures, risks of proliferation financing, and malicious cyber activities and ransomware attacks. Due to the gravity of these risks, many FATF members are taking proactive measures to protect themselves and the global financial system.

The FATF calls upon all jurisdictions to continue to remain vigilant due to the above-mentioned risks. As they have done since the Russian Federation commenced its war of aggression, FATF members will continue to monitor the situation, and the risks posed to the global financial system. As a suspended member of the FATF, the Russian Federation still remains accountable for its obligation to implement the FATF Standards.

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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:

- Croatia,
- Mali, and
- Tanzania.

• 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:

- Algeria,
- Angola,
- Bulgaria,
- Burkina Faso,
- Cameroon,
- Côte d'Ivoire,
- Democratic Republic of Congo,
- Haiti,
- Kenya,
- Lao PDR,
- Lebanon,
- Monaco,
- Mozambique,

- Namibia,
- Nepal,
- Nigeria,
- South Africa,
- South Sudan,
- Syria,
- Venezuela,
- Vietnam,
- Yemen

New jurisdictions subject to increased monitoring are:

- Bolivia, and
- Virgin Islands (UK).

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-june-2025.html

Jurisdictions subject to a call for action ("the Blacklist")

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 13 June 2025.

The FATF reaffirmed that its call for action on these high-risk jurisdictions published on 21 February 2020[1] remain in effect. Since February 2020, Iran reported in January, August and December 2024 with no material changes in the status of its action plan. The FATF calls on its members and urges all jurisdictions to apply effective countermeasures 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.

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.

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 FATF requires that as part of enhanced due diligence, financial institutions should increase the degree and nature of monitoring of the business relationship, to determine whether those transactions or activities appear unusual or suspicious. If no further progress is made by June 2025, the FATF will consider countermeasures.

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 expose financial institutions engaging with counterparts 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: High-Risk Jurisdictions subject to a Call for Action - 13 June 2025.

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[1] 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.

Further information
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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 PACOTPAA including Regulations issued thereunder.

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

Date issued: 23 June 2025

Director: Financial Intelligence Centre

Annexure A

High-Risk Jurisdictions subject to a Call for Action – Paris, 13 June 2025

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, Iran reported in January, August and December 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)

Building upon the FATF statements over the past decade, the FATF remains concerned by the DPRK's continued failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threats posed by the DPRK's illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

The FATF has continually reiterated since 2011 the need for all countries to robustly implement the targeted financial sanctions in accordance with UNSC Resolutions and apply the following countermeasures to protect their financial systems from the money laundering, terrorist financing, and proliferation financing threat emanating from DPRK:

- Terminate correspondent relationships with DPRK banks;
- Close any subsidiaries or branches of DPRK banks in their countries; and
- Limit business relationships & financial transactions with DPRK persons.

Despite these calls, DPRK has increased connectivity with the international financial system, which raises proliferation financing (PF) risks, as the FATF noted in February 2024.

This requires greater vigilance and renewed implementation and enforcement of these countermeasures against the DPRK. As set out in UNSCR 2270, DPRK frequently uses front companies, shell companies, joint ventures and complex, opaque ownership structures for the purpose of violating sanctions. As such, FATF encourages its members and all countries to apply enhanced due diligence to the DPRK and its ability to facilitate transactions on its behalf.

The FATF also urges countries to adequately assess and account for the increased proliferation financing risk with the greater financial connectivity reported, particularly since the next round of assessments requires countries to adequately assess PF risks under Recommendation 1 and Immediate Outcome 11. The ability to obtain reliable and credible information to support the assessment of PF risks relating to the DPRK is hampered by the recent termination of the 1718 Committee Panel of Experts mandate. Thus, the FATF will monitor the measures to comply with DPRK targeted financial sanctions and the implementation of countermeasures against DPRK.

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 countermeasures and calls on its members and urges all jurisdictions to apply effective countermeasures, 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.

[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.

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. The FATF requires that as part of enhanced due diligence, financial institutions should increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear unusual or suspicious. If no further progress is made by October 2025, the FATF will consider countermeasures.

Given the limited progress over the past five years, Myanmar should urgently work to implement its FATF action plan to address its key deficiencies, including by: (1) demonstrating enhanced use of financial intelligence in law enforcement authorities (LEAs) investigations, and increasing operational analysis and disseminations by the financial intelligence unit (FIU); (2) ensuring that ML is investigated/prosecuted in line with risks; (3) demonstrating investigation of transnational ML cases with international cooperation; (4) demonstrating an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value; and (5) managing seized assets to preserve the value of seized goods until confiscation.

When applying enhanced due diligence, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are neither disrupted nor discouraged. Especially in relation to earthquake relief efforts in Myanmar, the FATF recognizes the importance of ensuring that implementation of its Recommendations does not adversely and disproportionately affect NPOs and further, does not unduly hinder civil society and the delivery of humanitarian assistance. The FATF will also continue to monitor whether Myanmar's AML/CFT activities apply undue scrutiny to legitimate financial flows.

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