



**Circular to Money Service Operators  
Anti-Money Laundering / Counter-Terrorist Financing  
Statements issued by the Financial Action Task Force**

**(1) FATF Statement on High-Risk Jurisdictions subject to a Call for Action**

Further to our circular issued on 23 March 2022, this is to inform you that the Financial Action Task Force (“FATF”) in an updated statement issued on 17 June 2022 <sup>Note 1</sup> advised its members to refer to the list of High-Risk Jurisdictions subject to a Call For Action adopted in February 2020, namely Iran and the Democratic People’s Republic of Korea, and that the FATF’s Call For Action on these High-Risk Jurisdictions remains in effect <sup>Note 2</sup>. The FATF’s statement identifying High-Risk Jurisdictions subject to a Call For Action in February 2020 can be found on the website of the FATF at <http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-february-2020.html>).

In response to the COVID-19 pandemic, the FATF has decided to pause the review process for this list from February 2020. While the aforesaid statement in February 2020 may not necessarily reflect the most recent status of Iran and the Democratic People’s Republic of Korea’s anti-money laundering and counter-financing of terrorism (“AML/CFT”) regimes, the FATF’s Call For Action on these High Risk Jurisdictions remain in effect.

**(2) FATF Statement on Jurisdictions under Increased Monitoring**

In addition, the FATF has issued an updated statement on Jurisdictions under Increased Monitoring which can be found at <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-june-2022.html> <sup>Note 3</sup>. Money service operators (“MSOs”) are reminded that one new jurisdiction was added into the list, namely Gibraltar, while one jurisdiction, namely Malta, was removed from the list.

The statement sets out the list of jurisdictions that have committed to resolve swiftly strategic deficiencies in their regime to counter money laundering, terrorist financing, and proliferation financing within agreed timeframes and are subject to increased monitoring. The FATF will closely monitor the progress made by these jurisdictions in addressing the identified strategic deficiencies and encourages its members to take into account the information presented in the statement in their risk analysis.

As the FATF will continue to assess the progress made by these jurisdictions in addressing the deficiencies in their AML/CFT systems and issue updated statements from time to time, MSOs are reminded to browse the website of the FATF for the latest information.

Note 1 The statement can be found on the website of the FATF at <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-june-2022.html>).

Note 2 The circular issued on 23 March 2022 can be found on the C&ED’s website at <https://eservices.customs.gov.hk/MSOS/downloadFile?id=332102>).

Note 3 Jurisdictions included Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Gibraltar, Haiti, Jamaica, Jordan, Mali, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, South Sudan, Syria, Türkiye, Uganda, United Arab Emirates, and Yemen.



### (3) Outcomes from the FATF Plenary from 14 to 17 June 2022

In addition to the statements in (1) and (2) above, the FATF also published various other outcomes of its recent Plenary which may be of interest to MSOs. They include:

- (a) the approval of a report that shares good practices and recommendations for combating money laundering and terrorist financing by sharing information while adhering to domestic data protection and privacy objectives and obligations, which will be published in July 2022;
- (b) the finalisation of a Targeted Update on implementation of the FATF standards on Virtual Assets and Virtual Asset Service Providers. A report <sup>Note 4</sup>, that focuses on the implementation of the FATF's Travel Rule and provides a brief update on emerging risks and market developments, was published on 30 June 2022; and
- (c) the release of a white paper for public consultation on potential revisions to Recommendation 25 on transparency and beneficial ownership of legal arrangements <sup>Note 5</sup>, which will be closed for comments by 1 August 2022.

The FATF has identified digital transformation as a strategic priority. Experts in financial crime, data protection, and technology met before the FATF Plenary to discuss the potential benefits and challenges of the digital transformation in AML/CFT. Under the existing Presidency, four projects supporting this priority have been completed, and details can be found at: [https://www.fatf-gafi.org/publications/digitaltransformation/digital-transformation.html?hf=10&b=0&s=desc\(fatf\\_releasedate\)](https://www.fatf-gafi.org/publications/digitaltransformation/digital-transformation.html?hf=10&b=0&s=desc(fatf_releasedate)).

This crucial work will continue under the incoming Presidency, whose priorities will include combating cross-border financial crime, including cyber-enabled fraud/scams and ransomware, as well as using data analytics and public-private partnerships to more effectively combat money laundering and terrorism financing.

Further information on the FATF Plenary's outcomes can be found at (<https://www.fatf-gafi.org/publications/fatfgeneral/documents/outcomes-fatf-plenary-june-2022.html>)

Should you have any queries regarding the contents of this circular, please contact us on 2707 7820.

Money Service Supervision Bureau  
Customs and Excise Department

End

---

Note 4 The report can be found at

<https://www.fatf-gafi.org/publications/fatfrecommendations/documents/targeted-update-virtual-assets-vasps.html>.

Note 5 The white paper can be found at

<http://www.fatf-gafi.org/publications/fatfrecommendations/documents/r25-public-consultation.html>.