

Addition of Myanmar to the FATF list of High-Risk Jurisdictions

Please be advised that on October 21, 2022, following the completion of the FATF Plenary, a decision was taken by the FATF to place Myanmar on the list of high-risk jurisdictions subject to call for action. **The FATF is advising jurisdictions to apply *enhanced due diligence measures* proportionate to the risk arising from that jurisdiction.**

Myanmar is the third country to be added to the list of high-risk countries that includes Iran and the Democratic Republic of North Korea (DPRK). However, unlike Iran and DPRK who are subject to more stringent measures (application of countermeasures), countries (including reporting entities) are only required to apply EDD measures proportionate to the risk for transactions and activities, etc involving Myanmar

It is important that countries take action when called upon to do so by the FATF and independently of any call from the FATF to do so, to comply with the obligations of Recommendation 19.

See the full text of the FATF notification below:

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

In June 2022, the FATF strongly urged Myanmar to swiftly complete its action plan by October 2022 or the FATF would call on its members and urge all jurisdictions to apply enhanced due diligence to business relations and transactions with Myanmar. 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.

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 on-site/offsite inspections are risk-based, and hundi operators are registered and supervised; (3) demonstrating enhanced use of financial intelligence in LEA investigations, and increasing operational analysis and disseminations by the 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) demonstrating implementation of targeted financial sanctions related to PF.

The FATF urges Myanmar to work to fully address its AML/CFT deficiencies and Myanmar will remain on the list of countries subject to a call for action until its full action plan is completed".

See the link below to access the notice on the FATF website

<https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-october-2022.html>