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UPDATE OF THE FINANCIAL ACTION TASK FORCE (FATF) IDENTIFIED JURISDICTIONS UNDER INCREASED MONITORING IN OCTOBER 2022

The Nigerian Financial Intelligence Unit (NFIU) In fulfilment of its obligations on the timely provision of guidance to Reporting Entities and Competent Authorities (CA) publishes Indicators and advisory on crimes of money laundering and terrorist financing in an effort to guide Reporting Entities and Competent Authorities on observable trends and patterns to mitigate AML/CFT/CPF threats.

OCTOBER 2022

INTRODUCTION

In October 2022, the Financial Action Task Force (FATF) updated its list of jurisdictions under increased monitoring and working closely with these countries to address strategic deficiencies in their regimes to counter Money Laundering, Terrorist Financing and Proliferation Financing¹. The FATF and FATF- Style regional bodies (FSRBs) continue to work with the jurisdiction below as they report on the progress achieved in addressing their strategic deficiencies. The FATF calls these jurisdictions to complete their action plans expeditiously and within the agreed timeframe. This list is often referred to as the “grey list”. The FAFT welcomes commitment and will closely monitor their progress and encourages its members and all jurisdictions to take into account the information presented below in their risk analysis. The changes might affect Nigerian Financial and Designated Non-Financial Institutions’ obligations and Risk-Based Approaches (RBA) with respect to relevant jurisdictions.

The Nigerian Financial Intelligence Unit (NFIU) is issuing this advisory to update all Financial Institutions (FIs), Designated Non-Financial Institutions (DNFIs), Regulatory/Supervisory Authorities, Law Enforcement/Anti-Corruption Agencies, Security & Intelligence Agencies, the Judiciary and all relevant stakeholders in the Anti-Money Laundering and Countering the Financing of Terrorism and Counter-Proliferation Financing (AML/CFT/CPF) regime in Nigeria regarding new updates to the FATF list of jurisdictions with strategic AML/CFT/CPF deficiencies, to be on alert when establishing any form of business transaction with entities or individuals and or conducting financial transactions, including inward or outward transfers, with the following jurisdictions that have been identified to have strategic deficiencies in their AML/CFT/CPF regime and pose a risk to the international financial system. FIs and DNFIs should consider the FATF’s statements when reviewing their obligations and risk-based policies, procedures, and practices with respect to the jurisdictions noted below.

The FATF in October 2022 identified and updated the list of “Jurisdictions under Monitoring and jurisdiction which are no longer subjected to Increased Monitoring” as demonstrated below;

¹The Financial Action Task Force (FATF) list of jurisdictions under increased monitoring can be found in full on its website and can be accessed at (FATF-PLN(2022)56.en.pdf_REPORT BY THE ICRG CO-CHAIRS.pdf) Accessed 21.10.2022

- Since the start of the COVID-19 pandemic, the FATF has provided some flexibility to jurisdictions not facing immediate deadlines to report progress on a voluntary basis. The following listed countries had their progress reviewed by the FATF since June 2022: Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Haiti, Jamaica, Jordan, Mali, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, South Sudan, Turkey, and Uganda. For these countries, updated statements are provided below.
- Gibraltar chose to defer reporting; As such, the statement issued in June 2022 for that jurisdiction is included below, but it may not necessarily reflect the most recent status of the jurisdiction’s AML/CFT regime. 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.
- Following review, the FATF now also identifies the Democratic Republic of the Congo, Mozambique, and Tanzania.
- Nicaragua and Pakistan jurisdiction are no longer subjected to increase monitoring by FATF.

The full update to the list follows and is also available via the FATF website².

In addition to the “Jurisdictions under Monitoring”, the FATF also maintain a list of “**High Risk Jurisdictions Subject to a Call for Action**”. However, on 2 August 2020, FATF decided to pause the review process for the list of High-Risk Jurisdictions subject to a Call for Action. Therefore, please refer to the statement on these jurisdictions adopted in February 2020. While the statement may not necessarily reflect the most recent status of Iran and the Democratic People’s Republic of Korea’s AML/CFT regimes, the FATF’s call for action on these high-risk jurisdictions remains in effect³.

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.

²FATF-PLN(2022)56.en.pdf_REPORT BY THE ICRG CO-CHAIRS.pdf

³ibid

TABULAR REPRESENTATION OF JURISDICTIONS IN AND OUT OF THE INCREASED MONITORING LIST THUS FAR IN 2021 OCTOBER – OCTOBER 2022

S/N	Jurisdiction with Strategic Deficiencies (October 2021)	Jurisdiction no longer subject to increased monitoring (October 2021)	Jurisdiction with Strategic Deficiencies (March 2022)	Jurisdiction no longer subject to increased monitoring (March 2022)	Jurisdiction with Strategic Deficiencies (June 2022)	Jurisdiction no longer subject to increased monitoring (June 2022)	Jurisdiction with Strategic Deficiencies (October 2022)	Jurisdiction longer subject to increased monitoring (October 2022)
1	Albania	Botswana	Albania	Zimbabwe	Albania	Malta	Albania	Nicaragua
2	Barbados	Mauritius	Barbados		Barbados		Barbados	Pakistan
3	Burkina Faso		Burkina Faso		Burkina Faso		Burkina Faso	
4	Cambodia		Cambodia		Cambodia		Cambodia	
5	Cayman Islands		Cayman Islands		Cayman Island		The Cayman Islands	
6	Haiti		Haiti		Gibraltar		The Democratic Republic of Congo	
7	Jamaica		Jamaica		Haiti		Gibraltar	
8	Jordan		Jordan		Jamaica		Haiti	
9	Mali		Mali		Jordan		Jamaica	
10	Malta		Malta		Mali		Jordan	
11	Morocco		Morocco		Morocco		Mali	
12	Myanmar		Myanmar		Myanmar		Morocco	
13	Nicaragua		Nicaragua		Nicaragua		Mozambique	
14	Pakistan		Pakistan		Pakistan		Myanmar	
15	Panama		Panama		Panama		Panama	
16	Philippines		Philippines		Philippines		Philippines	
17	Senegal		Senegal		Senegal		Senegal	
18	South Sudan		South Sudan		South Sudan		South Sudan	
19	Syria		Syria		Syria		Syria	
20	Turkiye		Turkiye		Turkiye		Tanzania	
21	Uganda		Uganda		Uganda		Turkiye	
22	Yemen		United Arab Emirates		United Arab Emirates		Uganda	
23	Zimbabwe		Yemen		Yemen		United Arab Emirates	
24							Yemen	

JURISDICTIONS WITH STRATEGIC DEFICIENCIES IDENTIFIED BY THE FATF FOR APPLICATION OF ENHANCED DUE DILLIGENCE (OCTOBER 2022)

Myanmar

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.

JURISDICTIONS WITH STRATEGIC DEFICIENCIES IDENTIFIED BY THE FATF FOR INCREASED MONITORING (OCTOBER 2022)

Albania

Since February 2020, when Albania made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime, Albania has taken steps towards improving its AML/CFT regime, including by enacting an adequate legal framework for violations of company and NPO registration obligations and Implementing proportionate and dissuasive sanctions against entities that failed to declare their beneficial owners in the registry by the deadline. Albania should continue to work on implementing its action plan to address its strategic deficiencies, including by increasing the number of money laundering indictments that it brings to court for prosecution. The FATF expresses concern that Albania failed to complete its action plan, which fully expired in February 2022. The FATF strongly urges Albania to swiftly demonstrate significant progress in completing its action plan by February 2023 or the FATF will consider next steps if there is insufficient progress. Additionally, the FATF expresses concern that Albania’s plans for a possible Voluntary Tax Compliance (VTC) programme do not comply with the FATF’s principles for managing the AML/CFT implications of VTCs or FATF’s best practices for such programmes. Albania should revise its draft VTC law and work with MONEYVAL to ensure that any VTC law passed or implemented has adequate safeguards to prevent the potential for abuse of the programme for money laundering or terrorist financing purposes.

Barbados

Since February 2020, when Barbados made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, Barbados has taken steps towards improving its AML/CFT regime, including by, demonstrating the ability to enforce breaches of BO requirements, strengthening the relationship between the FIU and LEAs, improving the ML database, and demonstrating progress in the investigation, seizure and forfeiture of cash and assets. Barbados should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate and up-to-date basic and beneficial ownership information is available on a timely basis; (2) demonstrating that ML investigations and prosecutions are in line with the country’s risk profile; (3) further pursuing confiscation in ML cases, including by repatriating or sharing confiscated assets with other countries. The FATF urges Barbados to swiftly complete its action plan as all

deadlines have now expired and to address the above-mentioned strategic deficiencies by February 2023.

Burkina Faso

Since February 2021, Burkina Faso made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Burkina Faso has taken steps towards improving its AML/CFT regime, including by adopting and implementing follow-up mechanisms for monitoring actions in the national strategy. Burkina Faso will work to implement its action plan, including by: (1) updating its understanding of ML/TF risks, including through the revision of the national risk assessment in line with the sectoral priorities identified in its national strategy; (2) seeking mutual legal assistance (MLA) and other forms of international cooperation in line with its risk profile; (3) strengthening of resource capacities of all AML/CFT supervisory authorities and implementing risk based supervision of FIs and DNFBPs; (4) maintaining comprehensive and updated basic and beneficial ownership information and strengthening the system of sanctions for violations of transparency obligations; (5) increasing the diversity of STR reporting; (6) enhancing the FIU's human resources through additional , hiring, training and budget; (7) conduct training for LEAs, prosecutors and other relevant authorities; (8) demonstrating that authorities are pursuing confiscation as a policy objective; (9) enhancing capacity and support for LEAs and prosecutorial authorities involved in combatting TF, in line with the TF National Strategy; and (10) implementing an effective targeted financial sanctions regime related to terrorist financing and proliferation financing as well as risk-based monitoring and supervision of NPOs.

Cambodia

Since February 2019, Cambodia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime. At its October 2022 Plenary, the FATF made the initial determination that Cambodia has substantially completed its action plan and warrants an on-site visit to verify that the implementation of Cambodia's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation and improvement in the future. Cambodia has made a number of key reforms, including to improve: (1) MLA law and providing training on MLA to prosecutors and judges; (2) risk-based supervision for FIs and DNFBPs; (3) the legal framework on preventive measures and conducting outreach to the casino, real-estate and MVTS sectors; (4) the quality and

quantity of FIU disseminations, demonstrating an increase in ML investigations in line with risk; (5) its effectiveness in asset confiscation; and (6) establishing a legal framework for implementing UN sanctions related to targeted financial sanctions for PF and providing training to strengthen the skills of competent authorities to implement TFS for PF. The FATF will continue to monitor the COVID-19 situation and conduct an on-site visit at the earliest possible date.

The Cayman Islands

Since February 2021, when the Cayman Islands made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, the Cayman Islands has taken steps towards improving its AML/CFT regime, including by imposing adequate and effective sanctions in cases where relevant parties (including legal persons) do not file accurate, adequate and up-to-date beneficial ownership information in line with those requirements. The Cayman Islands should continue to work on implementing its action plan to address its strategic deficiencies, including by demonstrating that they are prosecuting all types of money laundering cases in line with the jurisdiction's risk profile and that such prosecutions are resulting in the application of dissuasive, effective, and proportionate sanctions. The FATF urges the Cayman Islands to swiftly complete its action plan as all deadlines have now expired and to address the above-mentioned strategic deficiency by February 2023.

The Democratic Republic of the Congo

In October 2022, the DRC made a high-level political commitment to work with the FATF and GABAC to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in October 2020, the DRC has made progress on some of the MER's recommended actions including making confiscation of proceeds of crime a policy priority. The DRC will work to implement its FATF action plan by: (1) finalising the NRA on ML and TF and adopting an AML/CFT national strategy; (2) designating supervisory authorities for all DNFBP sectors, and developing and implementing a risk-based supervision plan; (3) adequately resourcing the FIU, and build its capacity to conduct operational and strategic analysis; (4) strengthening the capabilities of authorities involved in the investigation and prosecution of ML and TF; and (5) demonstrating effective implementation of TF and PF-related TFS.

Gibraltar (Statement from June 2022)

In June 2022, Gibraltar made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in December 2019, Gibraltar has made progress on a significant number of its MER's recommended actions, such as completing a new national risk assessment, addressing the technical deficiencies in relation to BO-related record keeping, introducing transparency requirements for nominee shareholders and directors, strengthening the financial intelligence unit, and refining its ML investigation policy in line with risks. Gibraltar should work on implementing its action plan, including by: (1) ensuring that supervisory authorities for non-bank financial institutions and DNFBPs use a range of effective, proportionate, and dissuasive sanctions for AML/CFT breaches; and (2) demonstrating that it is more actively and successfully pursuing final confiscation judgements, through criminal or civil proceedings based on financial investigations.

Haiti

In June 2021, Haiti made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. Haiti will work to implement its action plan, including by: (1) developing its ML/TF risk assessment process and disseminating the findings; (2) facilitating information sharing with relevant foreign counterparts; (3) addressing the technical deficiencies in its legal and regulatory framework that impede the implementation of AML/CFT preventive measures and implementing risk-based AML/CFT supervision for all financial institutions and DNFBPs deemed to constitute a higher ML/TF risk; (4) ensuring basic and beneficial ownership information are maintained and accessible in a timely manner; (5) ensuring a better use of financial intelligence and other relevant information by competent authorities for combating ML and TF; (6) addressing the technical deficiencies in its ML offence and demonstrating authorities are identifying, investigating and prosecuting ML cases in a manner consistent with Haiti's risk profile; (7) demonstrating an increase of identification, tracing and recovery of proceeds of crimes; (8) addressing the technical deficiencies in its TF offence and targeted financial sanctions regime; (9) conducting appropriate risk-based monitoring of NPOs vulnerable to TF abuse without disrupting or discouraging legitimate NPO activities.

Jamaica

In February 2020, Jamaica made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. Jamaica should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) including all FIs and DNFBPs in the AML/CFT regime and ensuring adequate, risk-based supervision in all sectors; (2) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate and up-to-date basic and beneficial ownership information is available on a timely basis to competent authorities; and (3) implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes. The FATF expresses concern that Jamaica failed to complete its action plan, which fully expired in January 2022. The FATF strongly urges Jamaica to swiftly demonstrate significant progress in completing its action plan by February 2023 or the FATF will consider next steps if there is insufficient progress.

Jordan

Since October 2021, Jordan made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in November 2019, Jordan has made progress on a number of the MER's recommended actions to improve its system, including by finalizing its National Risk Assessment (NRA). Jordan will work to implement its FATF action plan by: (1) completing and disseminating the ML/TF risk assessments of NPOs, legal persons and virtual assets; (2) improving risk-based supervision and applying effective, proportionate, and dissuasive sanctions for noncompliance; (3) conducting training and awareness-raising programmes for DNFBPs on their AML/CFT obligations, particularly with regard to filing and submitting STRs; (4) maintaining comprehensive and updated basic and beneficial ownership information on legal persons and legal arrangements; (5) pursuing money laundering investigations and prosecutions, including through parallel financial investigations, for predicate offences in line with the risk identified in the NRA; (6) creating a legal obligation for confiscating instrumentalities used or intended to be used in ML crimes; (7) developing and implementing a legal and institutional framework for targeted financial sanctions; and (8) developing and implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

Mali

In October 2021, Mali made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in November 2019, Mali has made progress on a number of the MER's recommended actions to improve its system, including by adopting its National Risk Assessment (NRA). Mali will work to implement its FATF action plan by: (1) disseminating the results of the NRA to all relevant stakeholders including by conducting awareness-raising activities with the highest risk sectors; (2) developing and starting to implement a risk-based approach for the AML/CFT supervision of all FIs and higher risk DNFBPs and demonstrating effective, proportionate and dissuasive sanctions for noncompliance; (3) conducting a comprehensive assessment of ML/TF risks associated with all types of legal persons; (4) increasing the capacity of the FIU and the LEAs and enhancing their cooperation on the use of financial intelligence; (5) ensuring relevant competent authorities are involved in investigation and prosecution of ML; (6) strengthening the capacities of relevant authorities responsible for investigation and prosecution of TF cases; (7) establishing a legal framework and procedures to implement targeted financial sanctions; and (8) implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

Morocco

In February 2021, Morocco made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. At its October 2022 plenary, the FATF has made the initial determination that Morocco has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of Morocco's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. Morocco has made the following key reforms, including: (1) improving risk-based supervision and taking remedial actions and applying effective, proportionate and dissuasive sanctions for non-compliance; (2) strengthening its TFS framework and monitoring FIs and DNFBP's compliance with TFS obligations; (3) undertaking and sharing the results of the risk assessment on the misuse of all types of legal persons with the private sector and the competent authorities; (4) increasing the diversity of suspicious transactions reporting; and (5) establishing asset seizing and confiscation procedures. The FATF will continue to monitor the COVID-19 situation and conduct an on-site visit at the earliest possible date.

Mozambique

In October 2022, Mozambique made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in April 2021, Mozambique has made progress on some of the MER's recommended actions to improve its system including by finalising its NRA and strengthening its asset confiscation efforts. Mozambique will work to implement its FATF action plan by: (1) ensuring cooperation and coordination amongst relevant authorities to implement risk-based AML/CFT strategies and policies; (2) conducting training for all LEAs on mutual legal assistance to enhance the gathering of evidence or seizure/confiscation of proceeds of crime; (3) providing adequate financial and human resources to supervisors, developing and implementing a risk-based supervision plan; (4) providing adequate resources to the authorities to commence the collection of adequate, accurate and up-to-date beneficial ownership information of legal persons; (5) increasing the human resources of the FIU as well as increasing financial intelligence sent to authorities; (6) demonstrating LEAs capability to effectively investigate ML/TF cases using financial intelligence; (7) conducting a comprehensive TF Risk Assessment and begin implementing a comprehensive national CFT strategy; (8) increasing awareness on TF and PF-related TFS; and (9) carrying out the TF risk assessment for NPOs in line with the FATF Standards and using it as a basis to develop an outreach plan.

Panama

Since June 2019, Panama made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime. Panama has taken steps toward improving its AML/CFT regime, including by strengthening its understanding of the ML/TF risk of legal persons, as part of the corporate sector. However, Panama should take urgent action to fully address the remaining measures in its action plan as all timelines have already expired. Panama should therefore continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) ensuring effective, proportionate, and dissuasive sanctions in response to AML/CFT violations; (2) ensuring adequate verification, of up-to-date beneficial ownership information by obliged entities and timely access by competent authorities, establishing effective mechanisms to monitor the activities of offshore entities, assessing the existing risks of misuse of legal persons and arrangements to define and implement specific measures to prevent the misuse of nominee shareholders and directors; and (3) demonstrating its ability to investigate

and prosecute ML involving foreign tax crimes and continuing to provide constructive and timely international cooperation for such offenses, and continuing to focus on ML investigations in relation to high-risk areas. The FATF again expresses significant concern that Panama failed to complete its action plan, which fully expired in January 2021. The FATF strongly urges Panama to swiftly demonstrate significant progress in completing its action plan by June 2022 or the FATF will consider the next steps, which could include the FATF calling on its members and urging all jurisdictions to apply enhanced due diligence to business relations and transactions with Panama.

Philippines

Since June 2021, when the Philippines made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime, the Philippines has taken steps towards improving its AML/CFT regime, including by demonstrating that appropriate measures are being taken with respect to the NPO sector and implementing supervision for targeted financial sanctions. The Philippines should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating that effective risk-based supervision of DNFBPs is occurring; (2) demonstrating that supervisors are using AML/CFT controls to mitigate risks associated with casino junkets; (3) enhancing and streamlining LEA access to BO information and taking steps to ensure that BO information is accurate and up-to-date; (4) demonstrating an increase in the use of financial intelligence and an increase in ML investigations and prosecutions in line with risk; (5) demonstrating an increase in the identification, investigation and prosecution of TF cases; and (6) enhancing the effectiveness of the targeted financial sanctions framework for both TF and PF by demonstrating that DNFBPs understand their obligations.

Senegal

Since February 2021, when Senegal made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Senegal has taken steps towards improving its AML/CFT regime, including by ensuring consistent understanding of ML/TF risks across relevant authorities through training and outreach, and seeking MLA and other forms of international cooperation. Senegal should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) improving compliance by detecting AML/CFT violations and imposing effective, proportionate and dissuasive sanctions against non-compliant entities; (2) updating and maintaining comprehensive beneficial ownership information

on legal persons and arrangements and strengthening the system of sanctions for violations of transparency obligations; (3) strengthening the authorities understanding of TF risks and enhancing capacity and support for LEAs and prosecutorial authorities involved in combatting TF in line with the 2019 TF National Strategy; and (4) implementing an effective TFS regime related to TF and PF as well as risk-based monitoring and supervision of NPOs. The FATF notes Senegal's continued progress across its action plan, however all deadlines have now expired and work remains. The FATF encourages Senegal to continue to implement its action plan to address the above-mentioned strategic deficiencies as soon as possible.

South Sudan

In June 2021, South Sudan made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. South Sudan became a member of ESAAMLG in September 2022 and committed to undergo a mutual evaluation. South Sudan should continue to work to implement its action plan, including by: (1) conducting a comprehensive review of the AML/CFT Act (2012), with the support of international partners, including technical assistance, to comply with the FATF Standards; (2) becoming a party to and fully implementing the 1988 Vienna Convention, the 2000 Palermo Convention, and the 1999 Terrorist Financing Convention; (3) ensuring that competent authorities are suitably structured and capacitated to implement a risk-based approach to AML/CFT supervision for financial institutions; (4) developing a comprehensive legal framework to collect and verify the accuracy of beneficial ownership information for legal persons; (5) operationalising a fully functioning and independent FIU; (6) establishing and implementing the legal and institutional framework to implement targeted financial sanctions in compliance with United Nations Security Council Resolutions on terrorism and WMD proliferation financing; and (7) commencing implementation of targeted riskbased supervision/monitoring of NPOs at risk of TF abuse. The FATF notes South Sudan's limited progress across its action plan. The FATF again encourages South Sudan to continue to demonstrate its strong political and institutional commitment to strengthen the effectiveness of its AML/CFT regime, particularly in supporting the lead AML/CFT agency in coordinating national AML/CFT efforts.

Syria

Since February 2010, when Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has made progress to

improve its AML/CFT regime. In June 2014, the FATF determined that Syria had substantially addressed its action plan at a technical level, including by criminalizing terrorist financing and establishing procedures for freezing terrorist assets. While the FATF determined that Syria has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation and will conduct an on-site visit at the earliest possible date.

Tanzania

In October 2022, Tanzania made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in April 2021, Tanzania has made progress on some of the MER’s recommended actions to improve its system including by developing legal framework for TF and TFS and disseminating FIU strategic analysis. Tanzania will work to implement its FATF action plan by: (1) improving risk-based supervision of FIs and DNFBPs, including by conducting inspections on a risk-sensitive basis and applying effective, proportionate, and dissuasive sanctions for non-compliance; (2) demonstrating authorities’ capability to effectively conduct a range of investigations and prosecutions of ML in line with the country’s risk profile; (3) demonstrating that LEAs are taking measures to identify, trace, seize, and confiscate proceeds and instrumentalities of crime; (4) conducting a comprehensive TF Risk Assessment and begin implementing a comprehensive national CFT strategy as well as demonstrating capability to conduct TF investigations and pursue prosecutions in line with the country’s risk profile; (5) increasing awareness of the private sector and competent authorities on TF and PF-related TFS; and (6) carrying out the TF risk assessment for NPOs in line with the FATF Standards and using it as a basis to develop an outreach plan.

Turkiye

In October 2021, Turkey made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in October 2019, Turkey has made progress on a number of the MER’s recommended actions to improve its system, including by promulgating an overarching national strategy for authorities in charge of combating ML and TF; establishing a beneficial ownership registry; developing the strategic analysis capacity within the FIU; increasing the level of seizures of smuggled cash across borders; revising sentences available for terrorist financing to ensure there is an incentive for law

enforcement to investigate TF activity independently and alongside terrorism offences; and eliminating the delays in implementing targeted financial sanctions under UNSCRs related to terrorist financing and proliferation financing. Turkey will work to implement its FATF action plan by: (1) dedicating more resources at the FIU to supervision of AML/CFT compliance by high-risk sectors and increasing on-site inspections overall; (2) applying dissuasive sanctions for AML/CFT breaches, in particular for unregistered money transfer services and exchange offices and in relation to the requirements of adequate, accurate, and up-to-date beneficial ownership information; (3) enhancing the use of financial intelligence to support ML investigations and increasing proactive dissemination by the FIU; (4) undertaking more complex money laundering investigations and prosecutions; (5) setting out clear responsibilities and measurable performance objectives and metrics for the authorities responsible for recovering criminal assets and pursuing terrorism financing cases and using statistics to update risk assessments and inform policy; (6) conducting more financial investigations in terrorism cases, prioritizing TF investigations and prosecutions related to UN-designated groups and ensuring TF investigations are extended to identify financing and support networks; (7) concerning targeted financial sanctions under UNSCRs 1373 and 1267, pursuing outgoing requests and domestic designations related to UN-designated groups, in line with Turkey's risk profile; (8) to fully implement a risk-based approach to supervision of non-profit organizations to prevent their abuse for terrorist financing, conducting outreach to a broad range of NPOs in the sector and engaging with their feedback, ensuring that sanctions applied are proportionate to any violations, and taking steps to ensure that supervision does not disrupt or discourage legitimate NPO activity, such as fundraising. The FATF continues to monitor Turkey's oversight of the NPO sector. Turkey is urged to apply the risk-based approach to the supervision of NPOs in line with the FATF Standards.

Uganda

Since February 2020, when Uganda made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime, Uganda demonstrated progress, including completing the ML/TF risk assessment of legal persons and arrangements. Uganda should continue to work to implement its action plan to address its strategic deficiencies, including by: (1) developing and implementing risk-based supervision of FIs and DNFBPs; (2) ensuring that competent authorities have timely access to accurate basic and beneficial ownership information for legal entities; (3) demonstrating LEAs and judicial

authorities apply the ML offence consistent with the identified risks; (4) establishing and implementing policies and procedures for identifying, tracing, seizing and confiscating proceeds and instrumentalities of crime; and (5) addressing the technical deficiencies in the legal framework to implement PF-related targeted financial sanctions. The FATF continues to monitor Uganda's oversight of the NPO sector to encourage the application of the risk-based approach to supervision of NPOs in line with the FATF Standards and mitigate unintended consequences. The FATF strongly urges Uganda to swiftly implement its action plan to address the abovementioned strategic deficiencies as soon as possible as all deadlines expired in May 2022.

The United Arab Emirates

Since February 2022, when the United Arab Emirates (UAE) made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime, the UAE demonstrated positive progress, including by providing additional resources to the FIU to strengthen the FIU analysis and provide financial intelligence to LEAs and the Public Prosecutors for combating of high-risk ML threats. The UAE should continue to work to implement its FATF action plan by: (1) demonstrating through case studies and statistics a sustained increase in outbound MLA requests to help facilitate investigation of TF, ML, and high-risk predicates; (2) enhancing and maintaining a shared understanding of the ML/TF risks between the different DNFBP sectors and institutions; (3) showing an increase in the number and quality of STRs filed by FIs and DNFBPs; (4) ensuring a more granular understanding of the risk of abuse of legal persons and, where applicable, legal arrangements, for ML/TF; (5) demonstrate greater use of financial intelligence to pursue high-risk ML threats; and demonstrating a sustained increase in effective investigations and prosecutions of different types of ML cases consistent with UAE's risk profile; and (6) proactively identifying and combating sanctions evasion, including by demonstrating a better understanding of sanctions evasion among the private sector.

Yemen

Since February 2010, when Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Yemen had substantially addressed its action plan at a technical level, including by (1) adequately criminalizing money laundering and terrorist financing; (2) establishing procedures to identify and freeze terrorist

assets;(3) improving its customer due diligence and suspicious transaction reporting requirements; (4) issuing guidance; (5) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the financial intelligence unit; and (6) Establishing a fully operational and effectively functioning financial intelligence unit. While the FATF determined that Yemen has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and conduct an on-site visit at the earliest possible date.

JURISDICTIONS NO LONGER SUBJECT TO INCREASED MONITORING BY THE FATF - 21 October 2022

Nicaragua

The FATF notes Nicaragua's progress in improving the elements of its AML/CFT regime covered by its action plan. Nicaragua has addressed technical deficiencies to meet the commitments of its action plan regarding strategic deficiencies in the areas that the FATF identified in February 2020. Nicaragua is therefore no longer subject to the FATF's increased monitoring process. However, the FATF is strongly concerned by the potential misapplication of the FATF Standards resulting in the suppression of Nicaragua's non-profit sector. Nicaragua should continue to work with GAFILAT to improve further its AML/CFT regime, including by ensuring its oversight of NPOs is risk-based and in line with the FATF Standards. Nicaragua is strongly encouraged to continue cooperating with GAFILAT on this issue.

Pakistan

The FATF welcomes Pakistan's significant progress in improving its AML/CFT regime. Pakistan has strengthened the effectiveness of its AML/CFT regime and addressed technical deficiencies to meet the commitments of its action plans regarding strategic deficiencies that the FATF identified in June 2018 and June 2021, the latter of which was completed in advance of the deadlines, encompassing 34 action items in total. Pakistan is therefore no longer subject to the FATF's increased monitoring process. Pakistan will continue to work with APG to further improve its AML/CFT system.

RECOMMENDATIONS

1. The Mutual Evaluation Report needs to be given top priority in terms of Data Availability and Accessibility.
2. The National Risk Assessment should be continuously updated in order to reflect the emerging risks in various sectors of the economy. Reporting entities should also conduct their sector risk assessment to identify and understand emerging risks associated with the FATF grey listed jurisdictions.
3. Competent authorities need to demonstrate an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value.
4. Improving risk-based supervision and taking remedial actions and applying effective, proportionate and dissuasive sanctions for non-compliance.
5. Financial Institutions are once again reminded of their responsibility to comply with the Customer Due Diligence (CDD) as required by section 4 of the Money Laundering (Prevention and Prohibition) Act, 2022 on high-risk jurisdictions identified under FATF.
6. Financial Institutions and all other relevant stakeholders should consider the risks associated with the AML/CFT deficiencies of identified jurisdictions under monitoring.
7. Financial Institutions and all relevant stakeholders should take reasonable proactive risk-based steps on any financial activity related to the above-listed FATF jurisdictions under increased monitoring.
8. Financial Institutions and other Designated Non-Financial Businesses and Professions should report STRs, CTRs and SARs, and any suspected activity, or has reason to suspect that a transaction involves funds derived from illegal activity or that a customer has otherwise engaged in activities indicative of money laundering, terrorist financing, or other violation of Money Laundering (Prevention and Prohibition) Act, 2022 (as amended) or any regulation. For the jurisdictions that were removed from the FATF listing and monitoring process, financial institutions should take the FATFs decisions and the reasons behind the delisting into consideration when assessing risk, consistent with section 4 of the Money Laundering (Prevention and Prohibition) Act, 2022 (as amended).
9. Any financial institution that fails to take reasonable steps whilst assessing the risk should be cautioned. However, in the event of continuous default the institution should be sanctioned by the competent authority.