



SAINT CHRISTOPHER AND NEVIS

Financial Services Regulatory Commission
St. Kitts Branch

GENERAL INFORMATION ADVISORY NO. 1 OF 2014

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On 18th February, 2013, the Financial Action Task Force (FATF) issued statements in which it expressed concern about the deficiencies in the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) régimés of certain jurisdictions. The statement categorises the jurisdictions into two groups and replaces any previous statement/advisory issued.

Public Statement:

Jurisdictions to apply counter measures against for the protection of the International Financial System:

Iran

The FATF remains particularly and exceptionally concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system, despite the jurisdictions prior engagement with the FATF and its recent information submission.

Democratic People's Republic of Korea (DPRK)

The DPRK, since June, 2013 has continued to engage directly with the FATF and has engaged further with an associate member of the FATF, the Asia/Pacific Group (APG). The FATF urges the DPRK to enhance its engagement with the FATF to agree on an action plan to address its AML/CFT deficiencies. However, the FATF remains concerned with the DPRK's failure to address the significant deficiencies in its AML/CFT régime and the serious threat this poses to the integrity of the international financial system.

We therefore advise all financial institutions including all regulated entities and other persons who are required to comply with the obligations set out in the **Anti-Money Laundering Regulations, No.46 of 2011 (AMLR), Statutory Rules and Orders No. 51 of 2011 Financial Services (Implementation of Industry Standards) Regulations, 2011 and the Anti-Terrorism Regulations No. 47 of 2011 (ATR)** as well as Government entities, in accordance with the call by the FATF, to give special attention to business relationships and transactions with Iran, inclusive of Iranian companies and financial institutions and the DPRK, inclusive of DPRK financial institutions and companies. Further, consideration should be given to the Money Laundering and/or Terrorist Financing risks associated therewith and effective counter-measures should be put in place to enhance scrutiny of all transactions to protect the financial sector from Money Laundering and the Financing of Terrorism (ML/FT) risks emanating from Iran and DPRK. Appropriate enhanced customer due diligence measures must be applied when dealing with customers or transactions. In particular, special measures should be used to protect against the risk of correspondent relationships being used to circumvent or evade countermeasures and risk mitigation practices.

Jurisdictions listed as presenting risks arising from Strategic AML/CFT deficiencies:

The following jurisdictions have been determined by the FATF to have strategic AML/CFT deficiencies in their regimes and have either not made sufficient progress in addressing such deficiencies or have not committed to an action plan developed with the FATF to address these strategic deficiencies as of October 2012:

1. Algeria
2. Ecuador
3. Ethiopia
4. Indonesia
5. Kenya
6. Burma (Myanmar)
7. Pakistan
8. Syria
9. Tanzania
10. Turkey
11. Yemen

Accordingly, the Financial Services Regulatory Commission, again, advises all financial institutions (regulated entities and other persons who are required to comply with the obligations set out in the **AMLR, Statutory Rules and Orders No. 51 of 2011 Financial Services (Implementation of Industry Standards) Regulations, 2011, and ATR**) as well as Government entities to consider the risks arising from the deficiencies associated with the above listed jurisdictions. We further advise that such deficiencies be appropriately taken into account when transacting business or engaging in business relationships with the aforementioned countries and/or their related financial institutions and companies.



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