



Guernsey Financial Services Commission

INSTRUCTION (NUMBER 01/2020) FOR SPECIFIED BUSINESSES

BUSINESS FROM SENSITIVE SOURCES

6 March 2020

This Instruction is made under Section 49AA(6) of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 as amended and repeals Instruction (Number 03/2019) for Specified Businesses.

This Instruction is being issued in light of a request from the Financial Action Task Force (“FATF”) for jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism risks emanating from jurisdictions which have deficiencies in their anti-money laundering and financing of terrorism regimes. In this regard, the FATF has issued two documents, namely “High-Risk Jurisdictions subject to a Call for Action” and “Jurisdictions under Increased Monitoring”. These documents and the action to be taken by specified businesses in respect of each document are set out below.

A. ACTION TO BE TAKEN BY SPECIFIED BUSINESSES IN RESPECT OF JURISDICTIONS LISTED IN “HIGH-RISK JURISDICTIONS SUBJECT TO A CALL FOR ACTION”

Specified businesses must exercise a greater degree of caution when taking on business from the countries or territories specified in this part of the Instruction. Additionally, specified businesses must ensure enhanced client due diligence measures are applied and special attention given to all existing and new business relationships and transactions where the customer or beneficial owner has a relevant connection with such countries or territories.

The action taken by each specified business under this part of the Instruction will be reviewed during on-site inspections and by other means as necessary.

HIGH-RISK JURISDICTIONS SUBJECT TO A CALL FOR ACTION

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

ongoing 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”. *

Democratic People's Republic of Korea (DPRK)

The FATF remains concerned by the DPRK’s failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threats they pose to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, the FATF has serious concerns with the threat posed by the DPRK’s illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the DPRK, including DPRK companies, financial institutions, and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/TF/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC resolutions.

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 counter-measures and calls on its members and urges all jurisdictions to apply effective counter-measures, 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.

* This statement was previously called "Public Statement"

B. ACTION TO BE TAKEN BY SPECIFIED BUSINESSES IN RESPECT OF JURISDICTIONS LISTED IN THE FATF DOCUMENT ENTITLED “JURISDICTIONS UNDER INCREASED MONITORING”.

Specified businesses must consider the risk posed by the jurisdictions listed in this part of the Instruction when undertaking or reviewing the assessment of risk of any business relationship or occasional transaction.

The consideration of risk and of any consequential action taken by each specified business under this part of the Instruction will be reviewed during on-site inspections and by other means as necessary.

JURISDICTIONS UNDER INCREASED MONITORING

Jurisdictions under increased monitoring are actively working with the FATF to address 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 resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring. This list is often externally referred to as the ‘grey list’.¹

The FATF and FATF-style regional bodies (FSRBs) continue to work with the jurisdictions noted below and to report on the progress made in addressing the identified strategic deficiencies. The FATF calls on these jurisdictions to complete their agreed action plans expeditiously and within the proposed timeframes. The FATF welcomes their commitment and will closely monitor their progress. The FATF does not call for the application of enhanced due diligence to be applied to these jurisdictions, but encourages its members to take into account the information presented below in their risk analysis.

The FATF continues to identify additional jurisdictions, on an on-going basis, that have strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. A number of jurisdictions have not yet been reviewed by the FATF and FSRBs.

Albania

In February 2020, Albania made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in July 2018, Albania has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including by enhancing relevant authorities’ understanding of terrorist financing risks in order to prosecute TF more effectively and establishing a legal framework to implement targeted financial sanctions related to proliferation financing. Albania will work to implement its action plan, including by: (1) conducting additional in-depth analysis to understand its ML and other risks sufficiently, and enhancing institutional coordination and cooperation; (2) improving the timely handling of mutual legal assistance requests; (3) establishing effective mechanisms to detect and prevent

¹ This statement was previously called "Improving Global AML/CFT Compliance: On-going Process".

criminal infiltration of the economy, including by strengthening competent authorities' powers to take necessary action; (4) ensuring that accurate and up to date basic and beneficial ownership information is available on a timely basis; (5) increasing the number and improving the sophistication of prosecutions and confiscations for ML, especially in cases involving foreign predicate offenses or third-party ML; and (6) improving the implementation of targeted financial sanctions, in particular through enhanced supervisory action and targeted, proactive outreach.

The Bahamas

In October 2018, The Bahamas made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. The FATF has made the initial determination that The Bahamas has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of The Bahamas' AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. Specifically, The Bahamas has made the following key reforms: (1) developing a comprehensive electronic case management system for international cooperation; (2) demonstrating risk-based supervision of non-bank financial institutions; (3) ensuring the timely access to adequate, accurate and current basic and beneficial ownership information; (4) increasing the quality of the FIU's products to assist LEAs in the pursuance of ML/TF investigations, specifically complex ML/TF and stand-alone ML investigations; (5) demonstrating that authorities are investigating and prosecuting all types of money laundering, including complex ML cases, stand-alone money laundering, and cases involving proceeds of foreign offences; (6) demonstrating that confiscation proceedings are initiated and concluded for all types of ML cases; and (7) addressing gaps in the TF and PF TFS frameworks and demonstrating implementation.

Barbados

In February 2020, Barbados made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in November 2017, Barbados has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including by updating the National Risk Assessment and developing mitigating measures. Barbados will work to implement its action plan, including by: (1) demonstrating it effectively applies risk-based supervision for FIs and DNFBPs; (2) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensure that accurate and up to date basic and beneficial ownership information is available on a timely basis; (3) increasing the capacity of the FIU to improve the quality of its financial information to further assist LEAs in investigating ML or TF; (4) demonstrating that money laundering investigations and prosecutions are in line with the country's risk profile and reducing the backlog to complete prosecutions that result in sanctions when appropriate; and (5) further pursuing confiscation in ML, including by seeking assistance from foreign counterparts.

Botswana

Since October 2018, when Botswana made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Botswana has taken steps towards improving its AML/CFT regime, including by developing its national AML/CFT strategy and operationalising the country's company registry to maintain beneficial ownership information. Botswana should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) assessing the risks associated with legal persons, legal arrangements, and NPOs; (2) implementing risk-based AML/CFT supervisory manuals; (3) improving its analysis and dissemination of financial intelligence by the FIU; (4) implementing a CFT strategy, and ensuring the TF investigation capacity of the law enforcement agencies; (5) ensuring the implementation without delay of targeted financial sanctions measures related to terrorist financing and proliferation financing, and (6) applying a risk-based approach to monitoring non-profit organisations.

Cambodia

Since February 2019, when Cambodia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Cambodia has taken steps towards improving its AML/CFT regime, including by demonstrating an increase in domestic coordination and cooperation to enhance ML investigations. Cambodia should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) providing a broad legal basis for MLA and conducting relevant training to LEAs; (2) implementing risk-based supervision for real estate and casinos; (3) implementing the risk-based supervision to banks, including through prompt, proportionate and dissuasive enforcement actions, as appropriate; (4) amending the AML/CFT Law to address the remaining technical compliance deficiencies; (5) enhancing its analysis of STRs and increasing disseminations to LEAs; (6) demonstrating an increase in ML investigations and prosecutions; (7) demonstrating an increase in the freezing and confiscation of criminal proceeds, instrumentalities, and property of equivalent value; and (8) establishing and implementing a legal framework for UN targeted financial sanctions related to proliferation financing and enhancing the understanding of sanctions evasion.

Ghana

Since October 2018, when Ghana made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime, Ghana has taken steps towards improving its AML/CFT regime, including by raising awareness of the supervisors and regulated entities to the identified ML/TF risks. Ghana should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) implementing a comprehensive national AML/CFT Policy based on the risks identified in the NRA, including measures to mitigate ML/TF risks associated with the legal persons; (2) improving risk-based supervision, by enhancing the capacity of the regulators and the awareness of the private sector; (3) ensuring the timely access to adequate, accurate and current basic and beneficial ownership information; (4) ensuring that the FIU is focusing its activities on the risks

identified in the NRA, and adequately resourced; and (5) applying a risk-based approach for monitoring non-profit organisations.

Iceland

Since October 2019, when Iceland made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime, Iceland has continued to take significant steps towards improving its AML/CFT regime, including by increasing the FIU's human resources to address the volume of STRs and strengthen strategic analysis as well as ensuring effective supervision for targeted financial sanctions compliance and establishing sufficient resources and supervisory procedures to assess TF risks in the NPO sector. Iceland should continue to work on implementing its action plan to address its strategic deficiencies by (1) finalising the collection of accurate Beneficial Ownership information and demonstrating the imposition of appropriate sanctions for non-compliance; and (2) concluding work to introduce an automated system for STR filing.

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. Since the completion of its MER in November 2016, Jamaica has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including by amending its customer due diligence obligations. Jamaica will work to implement its action plan, including by: (1) developing a more comprehensive understanding of its ML/TF risk; (2) including all FIs and DNFBPs in the AML/CFT regime and ensuring adequate risk based supervision in all sectors; (3) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensure that accurate and up to date basic and beneficial ownership information is available on a timely basis; (4) taking proper measures to increase the use of financial information and to increase ML investigations and prosecutions, in line with the country's risk profile; (5) ensuring the implementation of targeted financial sanctions for terrorist financing without delay; and (6) implementing a risk based approach for supervision of its NPO sector to prevent abuse for TF purposes.

Mauritius

In February 2020, Mauritius made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2018, Mauritius has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including amending the legal framework to require legal persons and legal arrangements to disclose of beneficial ownership information and improving the processes of identifying and confiscating proceeds of crimes. Mauritius will work to implement its action plan, including by: (1) demonstrating that the supervisors of its global business sector and DNFBPs implement risk-based supervision; (2) ensuring the access to accurate basic and beneficial ownership information by competent authorities in a timely manner; (3) demonstrating that LEAs have capacity to conduct money laundering investigations, including parallel financial investigations and complex

cases; (4) implementing a risk based approach for supervision of its NPO sector to prevent abuse for TF purposes, and (5) demonstrating the adequate implementation of targeted financial sanctions through outreach and supervision.

Mongolia

Since October 2019, when Mongolia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime, Mongolia continues to take significant steps towards improving its AML/CFT regime, including by demonstrating an increase in sanctions and remedial actions by financial supervisors for identified violations, and further seizing and confiscating falsely/non-declared currency. Mongolia should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) improving sectoral ML/TF risk understanding by DNFBP supervisors, applying a risk-based approach to supervision, particularly in relation to dealers in precious metals and stones; (2) demonstrating increased investigations and prosecutions of different types of ML activity in line with identified risks; and (3) monitoring compliance by FIs and DNFBPs with their PF-related TFS obligations, including the application of proportionate and dissuasive sanctions.

Myanmar

In February 2020, Myanmar made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in September 2018, Myanmar has proactively made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including by introducing various legislative measures and establishing a regulatory framework for the registration of hundi operators. Myanmar will work to implement its action plan, including by: (1) demonstrating an improved understanding of ML risks in key areas; (2) ensuring the supervisory body for DNFBPs is sufficiently resourced, onsite/offsite inspections are risk-based, and hundi operators are registered and supervised; (3) demonstrating enhances in the 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 TFS related to PF, including training on PF sanctions evasion.

Nicaragua

In February 2020, Nicaragua made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in July 2017, Nicaragua has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including by increasing the use of financial information in the investigation and prosecution of ML offenses and fixing its legal framework for criminalizing TF. Nicaragua will work to implement its action plan, including by: (1) developing a more comprehensive understanding of its ML/TF risk; (2) more proactively seeking

international cooperation to support ML investigation, especially with the aim of identifying and tracing assets with confiscation and repatriation purposes; (3) conducting effective risk based supervision; and (4) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensure that accurate and up to date basic and beneficial ownership information is available on a timely basis.

Pakistan

Since June 2018, when Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter-terrorist financing-related deficiencies, Pakistan's political commitment has led to progress in a number of areas in its action plan, including risk-based supervision and pursuing domestic and international cooperation to identify cash couriers. Pakistan should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating that remedial actions and sanctions are applied in cases of AML/CFT violations, relating to TF risk management and TFS obligations; (2) demonstrating that competent authorities are cooperating and taking action to identify and take enforcement action against illegal money or value transfer services (MVTs); (3) demonstrating the implementation of cross-border currency and BNI controls at all ports of entry, including applying effective, proportionate and dissuasive sanctions; (4) demonstrating that law enforcement agencies (LEAs) are identifying and investigating the widest range of TF activity and that TF investigations and prosecutions target designated persons and entities, and those acting on behalf or at the direction of the designated persons or entities; (5) demonstrating that TF prosecutions result in effective, proportionate and dissuasive sanctions (6) demonstrating effective implementation of targeted financial sanctions (supported by a comprehensive legal obligation) against all 1267 and 1373 designated terrorists and those acting for or on their behalf, including preventing the raising and moving of funds, identifying and freezing assets (movable and immovable), and prohibiting access to funds and financial services; (7) demonstrating enforcement against TFS violations including administrative and criminal penalties and provincial and federal authorities cooperating on enforcement cases; (8) demonstrating that facilities and services owned or controlled by designated person are deprived of their resources and the usage of the resources.

All deadlines in the action plan have expired. While noting recent and notable improvements, the FATF again expresses concerns given Pakistan's failure to complete its action plan in line with the agreed timelines and in light of the TF risks emanating from the jurisdiction. To date, Pakistan has largely addressed 14 of 27 action items, with varying levels of progress made on the rest of the action plan. The FATF strongly urges Pakistan to swiftly complete its full action plan by June 2020. Otherwise, should significant and sustainable progress especially in prosecuting and penalising TF not be made by the next Plenary, the FATF will take action, which could include the FATF calling on its members and urging all jurisdiction to advise their FIs to give special attention to business relations and transactions with Pakistan.

Panama

Since June 2019, when 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 some steps towards improving its AML/CFT regime, including by drafting sectoral risk assessments for the corporate and DNFBP sectors and free trade zones. Panama should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) strengthening its understanding of the national and sectoral ML/TF risk and informing findings to its national policies to mitigate the identified risks; (2) proactively taking action to identify unlicensed money remitters, applying a risk-based approach to supervision of the DNFBP sector and ensuring effective, proportionate, and dissuasive sanctions against AML/CFT violations; (3) ensuring adequate verification and update of beneficial ownership information by obliged entities, establishing an effective mechanism 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 ensuring timely access to adequate and accurate beneficial ownership information; and (4) ensuring effective use of FIU products for ML investigations, demonstrating its ability to investigate and prosecute ML involving foreign tax crimes and to provide constructive and timely international cooperation with such offence, and continuing to focus on ML investigations in relation to high-risk areas identified in the NRA and MER.

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 criminalising 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.

Uganda

In February 2020, Uganda made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2016, Uganda has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including conducting its first national ML/TF risk assessment and amending the relevant legal frameworks to address the technical deficiencies in its ML and TF offences. Uganda will work to implement its action plan, including by: (1) adopting a national AML/CFT strategy; (2) seeking international cooperation in line with the country's risk profile; (3) developing and implementing risk-based supervision to FIs and DNFBPs; (4) ensuring that competent authorities have timely access to accurate basic and beneficial ownership information for legal entities; (5) demonstrating LEAs and judicial authorities apply the ML offence consistent with the identified risks; (6) establishing

and implementing policies and procedures for identifying, tracing, seizing and confiscating proceeds and instrumentalities of crime; (7) demonstrating that LEAs conduct TF investigations and pursue prosecutions commensurate with Uganda's TF risk profile; and (8) addressing the technical deficiencies in the legal framework to implement PF-related TFS and implementing a risk based approach for supervision of its NPO sector to prevent abuse for TF purposes.

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 criminalising 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.

Zimbabwe

Since October 2019, when Zimbabwe made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Zimbabwe has taken initial steps towards improving its AML/CFT regime, including by establishing a legal framework to collect beneficial ownership information of legal person and arrangements. Zimbabwe should continue to work on implementing its action plan, including by: (1) improving understanding of the key ML/TF risks among the relevant stakeholders and implementing the national AML/CFT policy base on the identified risks; (2) implementing risk-based supervision for FIs and DNFBPs including through capacity building among the supervisory authority; (3) ensuring development of adequate risk mitigation measures among FIs and DNFBPs, including by applying proportionate and dissuasive sanctions to breaches; (4) developing a comprehensive legal framework and mechanism to collect and maintain accurate and updated beneficial ownership information for legal persons and arrangements, and ensure timely assess by the competent authorities; and (5) addressing remaining gaps in the TF and PF-related TFS frameworks and demonstrating implementation.

JURISDICTIONS NO LONGER SUBJECT TO INCREASED MONITORING BY THE FATF

Trinidad and Tobago

The FATF welcomes Trinidad and Tobago's significant progress in improving its AML/CFT regime and notes that Trinidad and Tobago has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in November 2017. Trinidad and Tobago is therefore no longer subject to the FATF's increased monitoring process. Trinidad and Tobago will continue to work with CFATF to improve further its AML/CFT regime.

C. ACTION TO BE TAKEN BY SPECIFIED BUSINESSES IN RESPECT OF JURISDICTIONS WHICH ARE OF CONCERN TO THE GUERNSEY FINANCIAL SERVICES COMMISSION

Specified businesses must exercise a greater degree of caution when taking on business from the countries or territories specified in this part of the Instruction. Additionally, specified businesses must ensure enhanced customer due diligence measures are applied and special attention given to all existing and new business relationships and transactions where the customer or beneficial owner has a relevant connection with such countries or territories.

The action taken by each specified business under this part of the Instruction will be reviewed during on-site inspections and by other means as necessary.

CONCERNS OF THE GUERNSEY FINANCIAL SERVICES COMMISSION REGARDING VENEZUELA AND CENTRAL AND WEST AFRICA

Venezuela

It has come to the attention of the Commission that there may be doubts over the validity of some identity documents issued in Venezuela. In light of widespread corruption in that country, it has been suggested that corrupt officials have been issuing national identity cards and passports to criminals and to individuals with suspected links to terrorist organisations.

It should also be noted that, due to its proximity to major drug producing countries, Venezuela has become an important hub for the transport of drugs for consumption in the United States and Western Europe.

Central and West Africa

The Commission has a number of concerns related to Central and West Africa and the risks arising from this region, particularly in respect of terrorism, terrorist financing, and trafficking in drugs and people.

With regard to the former, the Commission is aware of the terrorism and terrorist financing risks emanating from Central and West African countries, both from terrorist organisations based in and carrying out their operations in the region, and terrorist organisations not based in West Africa but who derive a significant amount of their financing through activities in the region. Examples of terrorist organisations with links to Central and West Africa include: Boko Haram; Al-Qaeda in the Lands of the Islamic Maghreb; and Ansar Eddine, together with associated groups or factions.

In respect of trafficking and connected with the methods of terrorist financing referenced above, the Commission remains concerned about the levels of trafficking between South America and West Africa of drugs ultimately destined for use in Western Europe and of people in the more northerly group of West African countries. A number of the same West African countries have also been traditionally used as transit points for heroin from South West and South East Asia.

The concerns of the Commission relate to the Central and West African countries of:

Cape Verde Islands
Côte d'Ivoire
Ghana
Guinea

Guinea Bissau
Liberia
Mauritania
Morocco

Nigeria
Senegal
Sierra Leone