



**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 12 March 2020, this is to inform you that the Financial Action Task Force (“FATF”) issued an updated statement on 30 June 2020 <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>).

While the aforesaid February 2020 statement may not necessarily reflect the most recent status in Iran and the Democratic People’s Republic of Korea’s anti-money laundering and counter-financing of terrorism (“AML/CFT”) regime, the FATF decided on a general pause in the review process for this list in April 2020 in response to the COVID-19 crisis.

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

In addition, the FATF issued an updated statement on the progress made by two of the jurisdictions under increased monitoring, namely Mongolia and Iceland, in addressing the identified strategic deficiencies in their regimes to counter money laundering, terrorist financing and proliferation financing. The updated statement can be found on the website of the FATF at (<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-june-2020.html>). The statement on Jurisdictions under Increased Monitoring issued by the FATF in February 2020 remains in effect for the remaining jurisdictions identified at that time <sup>Note 3</sup> and can be found on the website of the FATF at (<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-february-2020.html>).

In response to the COVID-19 crisis, the FATF decided on a general pause in the review process for the list of jurisdictions under increased monitoring in April 2020, and granted the jurisdictions under increased monitoring an additional four months for deadlines, with the exception of Mongolia and Iceland who requested to continue on their original schedule. The FATF reviewed and virtually met with these two jurisdictions and the result of these discussions is set out in the aforesaid updated statement.

The FATF will closely monitor the implementation of action plans by the jurisdictions under increased monitoring and encourages its members to consider in their risk analysis the information presented in the FATF statements.

---

Note 1 The statement 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-june-2020.html>).

Note 2 The circular issued on 12 March 2020 can be found on the C&ED’s website at (<https://eservices.customs.gov.hk/MSOS/downloadFile?id=234295>).

Note 3 Namely Albania, The Bahamas, Barbados, Botswana, Cambodia, Ghana, Jamaica, Mauritius, Myanmar, Nicaragua, Pakistan, Panama, Syria, Uganda, Yemen, Zimbabwe



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, money service operators (“MSOs”) are reminded to browse the website of the FATF for the latest information.

**(3) Outcomes from the FATF Virtual Plenary, 24 June 2020**

In addition to the statements in (1) and (2) above, the FATF also published various other outcomes of its recent Virtual Plenary which may be of interest to MSOs. They include, for example, (i) the publication of 12-Month Review of the Revised FATF Standards on Virtual Assets/VASPs report <sup>Note 4</sup>; and (ii) FATF Report to the G20 on so-called 'Stablecoins' <sup>Note 5</sup> on the FATF website in July 2020.

Further information can be found on the website of FATF at <https://www.fatf-gafi.org/publications/fatfgeneral/documents/outcomes-fatf-plenary-june-2020.html>).

Should you have any queries regarding the contents of this circular, please contact us on 2707 7800.

Money Service Supervision Bureau  
Customs and Excise Department

End

---

Note 4 The report can be found on the website of the FATF at <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/12-month-review-virtual-assets-vasps.html>).

Note 5 The report can be found on the website of the FATF at <http://www.fatf-gafi.org/publications/fatfgeneral/documents/report-g20-so-called-stablecoins-june-2020.html>).