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OVERVIEW

No. RADAR

6597

Responsible level

Germany

Competent authority

BaFin - Federal Financial Supervisory Authority

Standard designation

Circular 12/2023 (GW) concerning third countries with strategic deficiencies in their anti-money laundering and counter-terrorist financing systems that pose significant risks to the international financial system (high-risk countries)

Title of Standard

Circular 12/2023 (GW) concerning third countries with strategic deficiencies in their systems for combating money laundering and terrorist financing that pose significant risks to the international financial system (highrisk countries) (Circular 07/2023 (GW) concerning third countries with strategic deficiencies in their systems for combating money laundering and terrorist financing that pose significant risks to the international financial system (high-risk countries))

Abbreviation (standard)

Circular 12/2023 (GW)

Short Title 🔣



Circular 12/2023 (GW)

Abbreviation (standard)

Abbreviation ******



Implementation status of the standard

published

Industry relevance

Banking, insurance

category

08. Anti-money laundering and financial sanctions

Document type

Notice/Circular

Management Summary

This circular updates and replaces the Circular 07/2023 (GW) concerning third countries,

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which have strategic deficiencies in their anti-money laundering and counter-terrorist financing systems that pose significant risks to the international financial system (high-risk countries) (dataset 6398).

The FATF's report of October 27, 2023, on countries under observation but showing progress includes changes. This results in corresponding changes to the legal consequences and measures under Section II of the Circular.

Management Summary

This circular updates and supersedes *Circular 07/2023 (GW)* concerning third countries with strategic deficiencies in their systems for combating money laundering and terrorist financing that pose significant risks to the international financial system (high risk countries) (data set 6398).

There are a number of amendments to the FATF's 27 October 2023 report on jurisdictions under increased monitoring. These results in corresponding changes to the legal consequences and measures under Section II of the circular.

CONTENTS

Main content

A. Overview

- I. Content of the EU and FATF country lists due to deficiencies in combating money laundering, terrorist financing and proliferation financing (Section I)
- II. Legal consequences and measures taken by BaFin with regard to countries listed under I. with increased risk (Section II)

B. Essential content

In the following, only the changes compared to the previous standard *Circular 07/2023 (GW) (Record 6398)*changes made are shown.

I. Content of the EU and FATF country lists due to deficiencies in combating money laundering, terrorist financing and proliferation financing (Section I)

1. FATF Declaration "High-Risk Jurisdictions subject to a Call for Action" of 24 February 2023 on the Democratic People's Republic of Korea (North Korea), Iran and Myanmar

In its statement of October 27, 2023, the FATF points out the continued validity of its statement "High-Risk Jurisdictions subject to a Call for Action" of February 21, 2020.

2. FATF Report on Jurisdictions under Increased Monitoring of

October 27, 2023

As a result of the ongoing country reviews by the FATF and the FATF Regional Review Boards (FSRBs) on individual countries' deficiencies with regard to key FATF recommendations, 23 countries are under observation. Bulgaria is added to the list.

II. Legal consequences and measures of BaFin with regard to countries listed under I. with

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increased risk (Section II)

1. Afghanistan, Barbados, Burkina Faso, DR Congo, Gibraltar, Haiti, Jamaica, Yemen, Jordan, Cayman Islands, Cameroon, Mali, Mozambique, Myanmar, Nigeria, Panama, Philippines, Senegal, South Africa, South Sudan, Syria, Tanzania, Trinidad and Tobago, Uganda, Vanuatu, United Arab Emirates and Vietnam (No. 3)

When fulfilling enhanced due diligence obligations with regard to Myanmar, it should be noted that Myanmar is listed as a "High-Risk Jurisdiction subject to a Call for Action." However, flows of funds for humanitarian aid, as well as legitimate charitable activities and remittances, should not be prevented.

2. Bulgaria, Croatia and Türkiye (No. 4)

The countries Albania, Cameroon, and Vietnam are deleted from this chapter heading. Cameroon and Vietnam are added to No. 3. Bulgaria is added to the chapter heading.

CATEGORIZATION

Keywords

Money laundering, terrorist financing, high-risk countries, enhanced due diligence, organizational obligations, country risk, sanctions, proliferation, FATF

Legal and information bases

- Circular 07/2023 (GW) (Record 6398)

Related Standards 📰



- Circular 07/2023 (GW) (Record 6398)

Target group – credit institutions

Yes

Target group – financial services institutions

Yes

Target group – Other companies in the financial sector

Yes

Target group - payment institutions

Yes

Target group – insurance companies

Yes

Target group - supplement

Comments ******



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Statement by (date)

Implementation status Explanation

Status – Further Details 💀

Date of entry into force/publication

December 11, 2023

Entry into force estimated?

No

Date of first application

December 11, 2023

Application appreciated?

No

Date Standard repealed

Remark (Entry into force/Publication)

This circular replaces Circular 07/2023 (GW) concerning third countries with strategic deficiencies in their anti-money laundering and counter-terrorist financing systems that pose significant risks to the international financial system (high-risk countries) (data set 6398).

Comments ******

This circular supersedes Circular 07/2023 (GW) concerning third countries with strategic deficiencies in their systems for combating money laundering and terrorist financing that pose significant risks to the international financial system (high-risk countries) (data set 6398).

Sources

The sources are not shown in this working paper.