



The Compliance Commission of The Bahamas

NOTICE

Re: FATF PLENARY OUTCOMES, JURISDICTIONS UNDER INCREASED MONITORING, JURISDICTIONS SUBJECT TO A CALL OF ACTION, FATF STATEMENT ON THE RUSSIAN FEDERATION- February 29th 2024

Dear Registrant,

The Compliance Commission wishes to inform registrants that the Financial Action Task Force (FATF), an intergovernmental body that establishes international standards for money laundering, countering the financing of terrorism and countering the financing of proliferation of weapons of mass destruction (AML/CFT/CPF) concluded its plenary meeting on February 23rd, 2024.

Among the key outcomes of the Plenary is a new risk-based guidance for the implementation of Recommendation 25 on the beneficial ownership and transparency of legal arrangements. This completes the FATF's body of work to enhance transparency of beneficial ownership globally and prevent criminals and terrorists from hiding their activities and funds behind complex corporate structures and legal arrangements such as trusts. The FATF will continue its outreach to ensure effective implementation of the revised Standards.

The Plenary also agreed to release for public consultation, a range of options for potential changes to Recommendation 16 and its Interpretive Note on wire transfers. The proposed revisions seek to adapt FATF Standards to the changes in payment systems' business models and messaging standards and ensure that they remain technology-neutral.

In preparation for the next round of mutual evaluations, the Plenary finalised modifications to its assessment methodology to reflect the recent revisions to the FATF Standards to protect non-profit organisations from potential abuse for terrorist financing.

The FATF identified jurisdictions with materially important virtual asset activity, to support them in implementing the FATF's requirements to supervise and regulate this activity.

The FATF updated the statements identifying high-risk and other monitored jurisdictions and removed four countries from its increased monitoring list following successful on-site visits.

FATF Statement on the Russian Federation

FATF members note with concern the potential risks to the international financial system, including growing financial connectivity of Russia with countries subject to FATF countermeasures, risks of proliferation financing, and malicious cyber activities and ransomware attacks. Due to the gravity of these risks, many FATF members are taking proactive measures to protect themselves and the global financial system.

The FATF calls upon all jurisdictions to continue to remain vigilant due to the above-mentioned risks. As they have done since the Russian Federation commenced its war of aggression, FATF members will continue to monitor the situation and the risks posed to the global financial system. As a suspended member of the FATF, the Russian Federation still remains accountable for its obligation to implement the FATF Standards.

Jurisdictions under Increased Monitoring

At the conclusion of the Plenary, the FATF now also identifies Kenya and Namibia as jurisdictions subject to increased monitoring.

The FATF in a public statement advised of its jurisdictions under increased monitoring (Grey List) that are actively working to address strategic deficiencies in their anti-money laundering and counterterrorist financing (AML/CTF) regimes that have committed to resolving 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".

The FATF does not call for the application of enhanced due diligence measures to be applied to these jurisdictions but calls for the application of a risk-based approach. Therefore, the FATF encourages its members and all jurisdictions to consider the information presented below in their risk analysis.

Jurisdictions Under Increased Monitoring were identified as: **Bulgaria, Burkina Faso, Cameroon, Democratic Republic of Congo, Croatia, Haiti, Jamaica, Kenya, Mali,**

Mozambique, Namibia, Nigeria, Philippines, Senegal, South Africa, South Sudan, Syria, Tanzania, Türkiye, Vietnam, Yemen

Jurisdictions no Longer under Increased Monitoring - Barbados, Gibraltar, Uganda, United Arab Emirates

The FATF plenary congratulated Barbados, Gibraltar, Uganda and United Arab Emirates for their significant progress in addressing the strategic AML/CFT deficiencies previously identified during their mutual evaluations. These jurisdictions had committed to implement an Action Plan to resolve swiftly the identified strategic deficiencies within agreed timeframes. These countries will no longer be subject to the FATF's increased monitoring process.

Please see link to Jurisdictions Under Increased Monitoring FATF Press Release: <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-february-2024.html>

High Risk Jurisdictions subject to a call for action

Regarding the FATF identified High Risk Jurisdictions subject to a call for action, the Democratic People's Republic of Korea and Iran remain on the list of jurisdictions subject to a call for action. Myanmar will remain on the list of countries subject to a call for action until its action plan is completed.

All countries identified as high-risk by the FATF are subject to enhanced due diligence, and, in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from 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".

Please see link to Jurisdictions subject to a call for action FATF Press Release

<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-february-2024.html>

FATF Recommendation 19 specifies examples of the countermeasures that could be undertaken by countries.

<https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf>

Link to Interpretive Note to Recommendation 19 (Higher-Risk Countries) <https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf>

Thank you for careful attention to this matter.

Yours Truly,


Andrew Strachan
Inspector

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