



FinCEN ADVISORY

FIN-2021-A003

March 11, 2021

Advisory on the Financial Action Task Force-Identified Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism and Counter-Proliferation Deficiencies

On February 25, 2021, the Financial Action Task Force (FATF) updated its list of jurisdictions with strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. The changes may affect U.S. financial institutions' obligations and risk-based approaches with respect to relevant jurisdictions.

SAR filing request

FinCEN requests that financial institutions only use the updated mandatory SAR form and reference this advisory in SAR field 2 (Filing Institution Note to FinCEN) and the narrative by including the following key term: **"FATF FIN-2021-A003."**

The Financial Crimes Enforcement Network (FinCEN) is issuing this advisory to inform financial institutions of updates to the FATF list of jurisdictions with strategic anti-money laundering and combating the financing of terrorism (AML/CFT) and counter-proliferation financing deficiencies. As part of the FATF's listing and monitoring process to ensure compliance with its international standards, the FATF identifies certain jurisdictions as having strategic deficiencies in their regimes.¹ Financial institutions should consider the FATF's statements when reviewing their obligations and

risk-based policies, procedures, and practices with respect to the jurisdictions noted below.²

In October 2020, the FATF restarted its work on identifying jurisdictions with strategic AML/CFT deficiencies. Because of the ongoing COVID-19 pandemic, the FATF prioritized its review by focusing on jurisdictions with expired or expiring action plan deadlines.³ The FATF gave the other jurisdictions identified as "Jurisdictions under Increased Monitoring" the option to provide a status report. Albania, Botswana, Burma (Myanmar), Cambodia, Ghana, Mauritius, Nicaragua, Pakistan, Panama, Uganda, and Zimbabwe provided such information to the FATF and the FATF

1. The FATF (www.fatf-gafi.org) is a 39-member intergovernmental body that establishes international standards to combat money laundering and counter the financing of terrorism and proliferation of weapons of mass destruction. The United States is a member of the FATF. If financial institutions wish to learn more about the FATF's work beyond its "[Jurisdictions under Increased Monitoring](#)" and "[High-Risk Jurisdictions Subject to a Call for Action](#)," please see the FATF's "[Outcomes FATF Plenary, 22, 24 and 25 February 2021](#)," and the U.S. Department of the Treasury's [press release](#) highlighting the outcomes of the FATF Plenary.
2. See 31 U.S.C. §§ 5318(h) and (i).
3. In April 2020, in response to the Coronavirus Disease 2019 (COVID-19) pandemic, the FATF temporarily paused its review process for most jurisdictions with strategic deficiencies. See the FATF, "[Jurisdictions under Increased Monitoring](#)," (February 25, 2021) and "[FATF Extends its Assessment and Follow-up Deadlines in Response to COVID-19](#)," (April 28, 2020).

has provided statements on their progress in its February 25, 2021, "[Jurisdictions under Increased Monitoring](#)" statement. Barbados and Jamaica chose to defer reporting due to the pandemic.⁴

Jurisdictions Identified by the FATF as High-Risk Jurisdictions

Per its February 25, 2021 statement, the FATF's February 2020 "[High-Risk Jurisdictions Subject to a Call for Action](#)" statement remains in effect.⁵ The February 2020 statement called upon its members and urged all jurisdictions to impose countermeasures on Iran and the Democratic People's Republic of Korea (DPRK) to protect the international financial system from the significant strategic deficiencies in their AML/CFT regimes.⁶

Jurisdictions Identified by the FATF for Increased Monitoring

The FATF publicly identifies jurisdictions that are actively working with it to address strategic AML/CFT deficiencies. In December 2020, after the FATF conducted an on-site visit that was initially postponed due to COVID-19-related delays, the FATF removed The Bahamas from its "[Jurisdictions under Increased Monitoring](#)" list.⁷ The on-site visit verified that The Bahamas is implementing its reforms.

On February 25, 2021, the FATF updated its "[Jurisdictions under Increased Monitoring](#)" statement. The FATF added Burkina Faso, Cayman Islands, Morocco, and Senegal to the list of "[Jurisdictions under Increased Monitoring](#)" due to the lack of effective implementation of their AML/CFT framework. These countries have made high-level political commitments to work with the FATF and their respective FATF Style Regional Bodies to strengthen the effectiveness of their AML/CFT regimes, and to address any related technical deficiencies. Because of the COVID-19 pandemic, Barbados and Jamaica did not report to the FATF; therefore, their statements may not necessarily reflect the most recent status in the jurisdictions' AML/CFT regime.⁸

Jurisdictions under Increased Monitoring:

- Remaining on the list: Albania, Barbados, Botswana, Burma (Myanmar), Cambodia, Ghana, Jamaica, Mauritius, Nicaragua, Pakistan, Panama, Syria, Uganda, Yemen, and Zimbabwe
- Removed from the list: The Bahamas
- Added to the list: Burkina Faso, Cayman Islands, Morocco, and Senegal

4. See the FATF, "[Jurisdictions under Increased Monitoring](#)," (February 25, 2021).

5. See the FATF, "[High-Risk Jurisdictions Subject to a Call for Action](#)," (February 25, 2021). For information on the FATF's prevailing statements on DPRK and Iran, as well as FinCEN's reminder to financial institutions of the obligations involving DPRK and Iran, see [FIN-2020-A001](#), "Advisory on the Financial Action Task Force-Identified Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism Deficiencies," (March 26, 2020).

6. See the FATF, "[High-Risk Jurisdictions Subject to a Call for Action](#)," (February 25, 2020).

7. See the FATF, "[FATF removes The Bahamas from the list of Jurisdictions under Increased Monitoring](#)," (December 18, 2020).

8. See the FATF, "[Jurisdictions under Increased Monitoring](#)," (February 25, 2021).

Review of Guidance Regarding Jurisdictions Under Increased Monitoring

U.S. financial institutions also should consider the risks associated with the AML/CFT deficiencies of the jurisdictions identified under this section (Albania, Barbados, Botswana, Burkina Faso, Burma (Myanmar),⁹ Cambodia, Cayman Islands, Ghana, Jamaica, Mauritius, Morocco, Nicaragua, Pakistan, Panama, Senegal, Syria,¹⁰ Uganda, Yemen, and Zimbabwe). With respect to these jurisdictions, U.S. covered financial institutions are reminded of their obligations to comply with the due diligence obligations for Foreign Financial Institutions (FFI) under 31 CFR § 1010.610(a) in addition to their general obligations under 31 U.S.C. § 5318(h) and its implementing regulations.¹¹ As required under 31 CFR § 1010.610(a), covered financial institutions should ensure that their due diligence programs, which address correspondent accounts maintained for FFIs, include appropriate, specific, risk-based, and, where necessary, enhanced policies, procedures, and controls that are reasonably designed to detect and report known or suspected money laundering activity conducted through or involving any correspondent account established, maintained, administered, or managed in the United States. Furthermore, money services businesses (MSBs) have parallel requirements with respect to foreign agents or foreign counterparties, as described in FinCEN Interpretive Release 2004-1, which clarifies that the AML program regulation requires MSBs to establish adequate and appropriate policies, procedures, and controls commensurate with the risk of money laundering and the financing of terrorism posed by their relationship with foreign agents or foreign counterparties.¹² Additional information on these parallel requirements (covering both

9. On February 10, 2021, the President of the United States issued Executive Order (E.O.) [14014](#), "Blocking Property with Respect to the Situation in Burma," and the Office of Foreign Assets Control (OFAC) updated its Specially Designated Nationals and Blocked Persons List. FinCEN wishes to remind financial institutions that on October 7, 2016, it announced exceptive relief to U.S. financial institutions from correspondent account prohibitions contained in FinCEN's 2004 final rule on Burma (Myanmar) under Section 311 of the USA PATRIOT ACT. While E.O. [14014](#) does not alter the exceptive relief, financial institutions should ensure compliance with the provisions in E.O. [14014](#). See U.S. Department of the Treasury Recent Actions, "[Issuance of Executive Order 'Blocking Property With Respect To The Situation In Burma; Burma-related Designations and Designations Updates](#)," (February 11, 2021); [FIN-ADMINX-10-2016](#), "Exception to Prohibition Imposed by Section 311 Action against Burma," (October 7, 2016); and "[Conditional Exception to Bank Secrecy Act Regulations Relating to the Burma Section 311 Final Rule](#)," 81 FR 71986 (October 19, 2016).
10. Additional FinCEN advisories on Syria include [FIN-2013-A002](#), "Updated Advisory to Financial Institutions on Recent Events in Syria," (April 15, 2013); [FIN-2011-A013](#), "Guidance to Financial Institutions on the Commercial Bank of Syria," (August 10, 2011); and [FIN-2011-A010](#), "Guidance to Financial Institutions on Recent Events in Syria," (July 8, 2011). For a description of current Office of Foreign Assets Control (OFAC) sanctions on Syria, please consult OFAC's [Syria Sanctions web page](#).
11. See generally 31 C.F.R. § 1010.210: Anti-money laundering programs. Specific AML program obligations are prescribed in 31 C.F.R. §§ 1020.210 (Banks), 1021.210 (Casinos and Card Clubs), 1022.210 (Money Services Businesses), 1023.210 (Brokers or Dealers in Securities), 1024.210 (Mutual Funds), 1025.210 (Insurance Companies), 1026.210 (Futures Commission Merchants and Introducing Brokers in Commodities), 1027.210 (Dealers in Precious Metals, Precious Stones, or Jewels), 1028.210 (Operators of Credit Card Systems), 1029.210 (Loan or Finance Companies), and 1030.210 (Housing Government Sponsored Enterprises).
12. FinCEN Interpretive Release 2004-1, "[Anti-Money Laundering Program Requirements for Money Services Businesses with Respect to Foreign Agents or Foreign Counterparties](#)," 69 FR 239 (December 14, 2004).

domestic and foreign agents and foreign counterparts) may be found in FinCEN's "Guidance on Existing AML Program Rule Compliance Obligations for MSB Principals with Respect to Agent Monitoring."¹³ Such reasonable steps should not, however, put into question a financial institution's ability to maintain or otherwise continue appropriate relationships with customers or other financial institutions, and should not be used as the basis to engage in wholesale or indiscriminate de-risking of any class of customers or financial institutions. Financial institutions should also refer to previous interagency guidance on providing services to foreign embassies, consulates, and missions.¹⁴

AML Program Risk Assessment: For the jurisdictions that were removed from the FATF listing and monitoring process, financial institutions should take the FATF's decisions and the reasons behind the delisting into consideration when assessing risk, consistent with financial institutions' obligations under 31 C.F.R. §§ 1010.610(a) and 31 C.F.R. §§ 1010.210.

Suspicious Activity Reports (SARs): If a financial institution knows, suspects, or has reason to suspect that a transaction involves funds derived from illegal activity or that a customer has otherwise engaged in activities indicative of money laundering, terrorist financing, or other violation of federal law or regulation, the financial institution must file a SAR.

SAR Filing Instructions

When filing a SAR, financial institutions should provide all pertinent available information in the SAR form and narrative. **FinCEN requests that financial institutions reference this advisory by including the key term "FATF FIN-2021-A003" in SAR field 2 (Filing Institution Note to FinCEN) and the narrative** to indicate a connection between the suspicious activity being reported and the activities highlighted in this advisory.

SAR reporting, in conjunction with effective implementation of due diligence requirements and OFAC obligations by financial institutions, has been crucial to identifying proliferation financing, other financial crimes associated with foreign and domestic political corruption, money laundering, and terrorist financing. SAR reporting is consistently beneficial and critical to FinCEN and U.S. law enforcement analytical and investigative efforts, OFAC designation efforts, and the overall security and stability of the U.S. financial system.

13. See [FIN-2016-G001](#), "Guidance on Existing AML Program Rule Compliance Obligations for MSB Principals with Respect to Agent Monitoring," (March 11, 2016).
14. See Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Financial Crimes Enforcement Network, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision, "[Interagency Advisory: Guidance on Accepting Accounts from Foreign Embassies, Consulates, and Missions](#)," (March 24, 2011); and Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Financial Crimes Enforcement Network, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision, "[Interagency Advisory: Guidance on Accepting Accounts from Foreign Governments, Foreign Embassies, and Foreign Political Figures](#)," (June 15, 2004).

For Further Information

Questions or comments regarding the contents of this advisory should be addressed to the FinCEN Regulatory Support Section at frc@fincen.gov.

Financial institutions wanting to report suspicious transactions that may potentially relate to terrorist activity should call the Financial Institutions Toll-Free Hotline at (866) 556-3974 (7 days a week, 24 hours a day). The purpose of the hotline is to expedite the delivery of this information to law enforcement. Financial institutions should immediately report any imminent threat to local-area law enforcement officials.

The mission of the Financial Crimes Enforcement Network is to safeguard the financial system from illicit use, combat money laundering and its related crimes including terrorist financing, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence.