

Financial Action Task Force-FATF and Myanmar

“Challenges and Opportunities”

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Financial Action Task Force-FATF



High-Risk Jurisdictions subject to a Call for Action – 21 October 2022

- Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures
 - ❖ *Democratic People's Republic of Korea (DPRK)*
[unchanged since February 2020]
 - ❖ *Iran*
[unchanged since February 2020]
- Jurisdiction subject to a FATF call on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risks arising from the jurisdiction
 - ❖ [Myanmar](#)

Recommendation 19

- **Higher-risk countries ***

- ❖ Financial institutions should be required to apply [enhanced due diligence](#) measures to business relationships and transactions with natural and legal persons, and financial institutions, from countries for which this is called for by the FATF. The type of enhanced due diligence measures applied should be effective and proportionate to the risks.
- ❖ 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.

FATF Statement and Myanmar

Year	Process	Public Document
2000-2006	NCCT	
2007	ICRG Process	
2010-2020	Improving Global AML/CFT Compliance: on-going process	
	Public Statement	Jurisdictions subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing (ML/FT) risks emanating from the jurisdictions.
		Jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction.
2020-	Jurisdictions under Increased Monitoring	
	High-Risk Jurisdictions subject to a Call for Action	jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures
		Jurisdiction subject to a FATF call on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risks arising from the jurisdiction

FATF Statement and Myanmar

Year	Process	Opportunities
2001-2006	NCCT	CMLL, CCB, MLA, CA, FIU, ROs, UNCTOC, CFT convention, APG, MoU, Provisional Measures
2010-2011	Improving Global AML/CFT Compliance: on-going process	
2011-2016	Jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction	UNCAC, ACL, AML, CT Law, Extradition Law, AMLCB, CCCT, CFTWG, FIU, online reporting system, MoU, Provisional Measure, ROs including DNFBPs National Risk Assessment on ML/TF
2020-2022	Jurisdictions under Increased Monitoring	?????????????
2022- How Long?	Jurisdiction subject to a FATF call on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risks arising from the jurisdiction	

Action Plan

Immediate Outcome	Action Item	Timelines	Progress as of August 2022
1	Demonstrate an improved understanding of ML risks, based on evidence, related to: <ul style="list-style-type: none"> • Drug trafficking • Corruption (including PEPs) • Cross-border smuggling and the vulnerability of the porous border regions • Legal persons 	Jan 2021	Partly Addressed
3	3.1. Ensure the supervisory body for DNFBNs is sufficiently resourced.	Jan 2021	Largely Addressed
	3.2. Prioritise onsite and offsite inspections to gem, gold dealers and real estate sectors on a risk basis.	May 2021	Partly Addressed
	3.3. Ensure that CBM supervision includes high-risk thematic areas (including CDD, PEPs, high-risk geographic areas, STRs, etc.), particularly for medium-sized banks.	Jan 2021	Largely Addressed
	3.4. Demonstrate the implementation of the regulations related to hundi/ hawala providers, including outreach, registration and supervision.	May 2021	Not Addressed
6	6.1. Demonstrate improved international cooperation and information sharing with international counterparts by MFIU, in line with the high-risk crimes.	May 2021	Partly Addressed
	6.2. Demonstrate enhanced integration of financial intelligence into the investigations conducted by LEAs.	Sept. 2021	Partly Addressed
	6.3. Demonstrate increased operational analysis and proactive disseminations by the MFIU, in line with risks.	Sept. 2021	Partly Addressed
7	7.1. Ensure that ML is being investigated and prosecuted in parallel with predicate offences, and in line with risk.	Sept. 2021	Not Addressed
	7.2. Support investigation of transnational ML cases with both formal and informal international cooperation.	Sept. 2021	Not Addressed
8	8.1. In line with risks, demonstrate an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value, as appropriate.	Sept. 2021	Not Addressed
	8.2. Develop a comprehensive mechanism and dedicate resources to manage seized assets to preserve the value of seized goods until confiscation.	May 2021	Partly Addressed
10/11	10.1. Demonstrate that implementation of TFS is occurring [in line with Myanmar's risk profile] including by: ensuring that reporting entities are notified of updates to TF/PF sanctions lists.	Jan. 2021	Largely Addressed
	10.2. Providing training to competent authorities on implementing PF TFS and sanctions evasion.	May 2021	Largely Addressed
	10.3. Conducting awareness raising campaigns to inform reporting entities of their obligations related to PF TFS, and supervising them for compliance with PF TFS obligations.	May 2021	Partly Addressed

Questions and Answers