保險業監管局
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15 July 2026

To : Chief Executives / Responsible Officers of all insurance institutions ("IIs")[1]

Dear Sir/Madam,

Statements issued by the Financial Action Task Force ("FATF")

Further to our letter of 3 March 2026, we are writing to inform you of the following developments:

(1) High-Risk Jurisdictions subject to a Call for Action

The FATF issued an updated statement on 19 June 2026 identifying jurisdictions that have strategic deficiencies in their anti-money laundering and combating the financing of terrorism ("AML/CFT") regimes. The statement can be found on the website of the FATF (https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/call-for-action-june-2026.html).

(a) Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures – The Democratic People's Republic of Korea ("DPRK") and Iran

DPRK

The FATF remained concerned by the DPRK's continued failure to address the significant deficiencies in its AML/CFT regime and the serious threats posed by the DPRK's illicit activities related to the proliferation of weapons of mass destruction and its financing.

DPRK has increased connectivity with the international financial system which raises proliferation financing risks. The FATF therefore calls for greater vigilance and renewed implementation and enforcement of countermeasures against the DPRK.

[1] Definition of IIs should be construed in conjunction with the Guideline on Anti-Money Laundering and Counter-Terrorist Financing ("GL3"), i.e. authorized insurers and reinsurers carrying on long term business, and licensed individual insurance agents, licensed insurance agencies and licensed insurance broker companies carrying on regulated activities in respect of long term business.

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Iran

Since February 2020, given Iran's failure to fully address its action plan, the FATF has called upon its members and required all jurisdictions to apply effective countermeasures in line with Recommendation 19.

In January 2026, Iran provided an update to the FATF on its ratification of the United Nations Convention against Transnational Organized Crime ("Palermo Convention") and United Nations Convention for the Suppression of the Financing of Terrorism ("TF Convention"). While the FATF takes note of Iran's submission and engagement, at this time, the FATF assesses that the reservations Iran has made to Palermo and TF Conventions are overly broad and that Iran's domestic compliance with these Conventions is not in line with the FATF standards. The FATF also notes Iran has failed to address the majority of its action plan since 2016. Iran will remain on the list of FATF High Risk Jurisdictions Subject to a Call for Action until the full Action Plan has been completed.

(b) 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

The FATF urges Myanmar to urgently work to implement its FATF action plan to address its AML/CFT deficiencies. The call by the FATF on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risks arising from Myanmar in the October 2022 statement remains in effect. The FATF requires that as part of enhanced due diligence, the degree and nature of monitoring of the business relationship should be increased, in order to determine whether those transactions or activities appear unusual or suspicious. If no further progress is made by October 2026, the FATF will consider countermeasures.

(2) Jurisdictions under Increased Monitoring

In addition, the FATF issued an updated statement on 19 June 2026 on Jurisdictions under Increased Monitoring which can be found on the website of the FATF (https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-june-2026.html).

The statement sets out the list of jurisdictions that have committed to resolve swiftly strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing within agreed timeframes and are subject to increased monitoring. The FATF will closely monitor the progress made by these jurisdictions in addressing the identified strategic deficiencies and encourages its members to take into account the information presented in the statement in their risk analysis.

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, IIs are reminded to browse the website of the FATF for the latest information.

(3) Other Outcomes from the FATF Plenary, 17 – 19 June 2026

In addition to the statements in (1) and (2) above, the FATF also published various other outcomes of its recent Plenary which may be of interest to IIs, including the following:-

(a) In recognition that greater collaboration and information sharing is vital to improving effectiveness in addressing money laundering, terrorism financing, fraud and other crimes, in an era of increased digitalisation and fragmentation of transactions across borders, the Plenary approved a new Global Overview of Public and Private Sector Partnerships and Data Protection Arrangements. The new publication will present different models of information sharing from around the world, aiming to support actionable sharing of intelligence to combat crime in line with data protection needs.

(b) The Plenary approved a public consultation on new guidance that will support the implementation of the strengthened FATF Standard on cross-border payment transparency, Recommendation 16. The proposed guidance will help countries and financial institutions strengthen payment transparency in order to combat money laundering/terrorist financing/proliferation financing, and predicate crimes, in particular fraud.

(c) As financing methods used by terrorist actors continue to vary with access to emerging technologies and digital platforms, the Plenary approved a new publication on detecting and disrupting terrorist financing activity conducted via social media, instant messaging applications and streaming platforms. This work will highlight how terrorists are misusing these technologies, building on the FATF's 2025 Comprehensive Update on Terrorist Financing Risks, and will set out recommendations to address abuse including greater proactive engagement with the sector.

The Plenary also approved a new report for publication in September 2026 which will examine how underground banking, hawala, and other similar service providers can be exploited by criminal actors, including professional money launderers, to facilitate illicit financial activity – a threat which has evolved in line with rapid technological change.

(d) As the FATF continues to push for strong global implementation of the FATF Standards in relation to the virtual asset sector, the Plenary approved a seventh targeted update on the implementation of the FATF Standards on Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs). With the growth of Decentralised Finance (DeFi) platforms and their potential exposure to money laundering, terrorist financing and proliferation financing risks, a new targeted report will look at related regulatory challenges.

Further information on the FATF Plenary's outcomes can be found on the website of the FATF (https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfgeneral/outcomes-fatf-plenary-june-2026.html).

Should you have any enquiries regarding the above, please contact Mr Raven Chan at 3899 9754 or Mr Timothy Yim at 3899 9832.

Yours faithfully,

Dickson Chui
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Insurance Authority

c.c. The Hong Kong Federation of Insurers
Professional Insurance Brokers Association
The Hong Kong Confederation of Insurance Brokers

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