

Our Ref: INS/TEC/6/45

3 March 2026

To : Chief Executives / Responsible Officers of all insurance institutions (“IIs”)<sup>1</sup>

Dear Sir/Madam,

### **Statements issued by the Financial Action Task Force (“FATF”)**

Further to our letter of 10 November 2025, 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 13 February 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-february-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.

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<sup>1</sup> 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.

## 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 June 2026, the FATF will consider countermeasures.

(2) Jurisdictions under Increased Monitoring

In addition, the FATF issued an updated statement 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-february-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, 11 – 13 February 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) The FATF approved a paper on cyber-enabled fraud which highlights the escalating fraud threat facing the globe, and the harm done to victims. As fraudsters continue to make use of digital innovations to accelerate the scale, speed, and complexity of fraud, partners across the anti-money laundering and countering terrorist financing and proliferation financing (AML/CFT/CPF) regime must also leverage innovative techniques to better prevent fraud, return victims' money and bring perpetrators to justice. Recognising these evolving threats, FATF has committed to focusing on fraud over the next few years.
- (b) As technology continues to evolve and in recognition of the inherently cross-border nature of virtual assets, the Plenary approved two new reports, to be published in March 2026, that will help countries address emerging risks and support responsible innovation in finance. A report on Understanding and Mitigating the Risk of Offshore Virtual Asset Service Providers (oVASPs) will explore risks associated with the unregulated provision of offshore VASP services. The report will look at how gaps and differences in regulatory and supervisory coverage are exploited by criminals and set out what governments can do to address this. A targeted Report on Stablecoins and Unhosted Wallets will examine emerging risks associated with stablecoins, which have grown rapidly in global scale, reach and importance in recent years. It makes recommendations to help countries and the private sector mitigate risks, including where stablecoins are being moved through peer-to-peer transactions.

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

Should you have any enquiries regarding the above, please contact Mr Steven Ho at 3899 9752 or Mr James Luo at 3899 9773.

Yours faithfully,

Dickson Chui  
Senior Manager  
Conduct Supervision Division  
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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