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26 April 2011

電話 Tel. 2153 2737

To : Chief Executives of all authorized insurers
carrying on long term business

Dear Sirs,

**Statements issued by the
Financial Action Task Force on Money Laundering ("FATF")**

(1) FATF Statement on Iran and Democratic People's Republic of Korea

Further to my letter of 17 December 2010, I am writing to inform you that the FATF issued an updated statement on 25 February 2011 concerning the anti-money laundering/combating the financing of terrorism ("AML/CFT") regimes in Iran and Democratic People's Republic of Korea. The statement can be found on the website of FATF (http://www.fatf-gafi.org/document/11/0,3746,en_32250379_32236992_47221771_1_1_1_1,00.html).

In the statement, the FATF identified both Iran and Democratic People's Republic of Korea as having strategic deficiencies in their AML/CFT regimes:

Iran

The FATF welcomes the recent steps taken by Iran but remains concerned by Iran's failure to meaningfully address the on-going and substantial deficiencies in its AML/CFT regime. The FATF reaffirms its call on members and urges all jurisdictions to apply effective counter-measures to protect the international financial system from the on-going and substantial money laundering and financing of terrorism ("ML/FT") risks emanating from Iran.

You should continue to apply the measures specified in our circular of 26 March 2009 when handling transactions related to Iran

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Democratic People's Republic of Korea

The FATF welcomes the initial engagement by the Democratic People's Republic of Korea with the FATF, but remains concerned by the Democratic People's Republic of Korea's failure to address the significant deficiencies in its AML/CFT regime and the serious threat this poses to the integrity of the international financial system. The FATF calls on its members and urges all jurisdictions to apply effective counter-measures to protect the international financial system from the on-going and substantial ML/FT risks emanating from Democratic People's Republic of Korea.

You should treat transactions associated with Democratic People's Republic of Korea as posing a higher ML/FT risk and subject them to increased scrutiny and enhanced due diligence.

(2) FATF Statement on Improving Global AML/CFT Compliance: Update
On-going Process

In addition, please be informed that a separate statement has been issued by the FATF in respect of relevant jurisdictions' progress in improving their AML/CFT regime. While these jurisdictions have been identified as having strategic AML/CFT deficiencies, they have also developed an action plan with the FATF. The FATF and FATF-style regional bodies will continue to work with these jurisdictions and to report on the progress made in addressing the identified deficiencies. The statement can be found on the website of FATF (http://www.fatf-gafi.org/document/49/0,3746,en_32250379_32236992_472218_09_1_1_1_1,00.html).

Should you have any enquiries, please contact Mr. Ivan Chan at 2153 2756 or Mr. Keith Lee at 2153 2740.

Yours faithfully,

(Ms. Carol M. Y. Hui)
for Commissioner of Insurance

c.c. Chairman, The Hong Kong Federation of Insurers