

保險業監理處

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17 July 2015

電話 Tel. **2867 2711**

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”)**

Further to our letter of 13 March 2015, we are writing to inform you of the following developments:

(1) FATF Public Statement

The FATF issued an updated statement on 26 June 2015 concerning a number of jurisdictions that have been identified as posing substantial risks to the international financial system. The statement can be found on the website of FATF (<http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/documents/public-statement-june-2015.html>).

Iran

The FATF remains particularly and exceptionally concerned about Iran’s failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system. The FATF reaffirms its call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from 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 remains concerned by the Democratic People's Republic of Korea's failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism ("AML/CFT") regime and the serious threat this poses to the integrity of the international financial system. The FATF further calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from ML/FT risks emanating from the Democratic People's Republic of Korea.

You should follow the guidance specified in the FATF Statement and subject the transactions associated with the Democratic People's Republic of Korea to increased scrutiny and enhanced due diligence.

### Algeria and Myanmar

The FATF calls on its members to consider the risks arising from the strategic AML/CFT deficiencies associated with Algeria and Myanmar. These jurisdictions 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.

You should consider applying increased scrutiny and enhanced due diligence to transactions associated with these jurisdictions.

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

The FATF also issued an updated statement on 26 June 2015 identifying jurisdictions that have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF and provided a written high level political commitment to address the identified deficiencies.

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/topics/high-riskandnon-cooperativejurisdictions/documents/fatf-compliance-june-2015.html>).

(3) Outcomes from the Meeting of the FATF Plenary, 24-26 June 2015

In addition, the FATF has published various outcomes of its recent Plenary Meeting which may be of interest to you. They include, for example, (i) a revised best practices paper on combating the abuse of non-profit organisations; (ii) guidance for a risk-based approach to virtual currencies; and (iii) a typologies report on money laundering / terrorist financing risks and vulnerabilities associated with gold.

Moreover, the FATF has issued a statement setting out the intention to build on its actions already taken to address “de-risking” which is a complex issue that goes far beyond anti-money laundering and counter-terrorist financing.

Further information can be found on the website of FATF (<http://www.fatf-gafi.org/documents/documents/outcomes-plenary-june2015.html>).

Should you have any enquiries regarding the above, please contact our Ms Cindy Leung at 2153 2756 or Ms Bella Fung at 2153 2747.

Yours faithfully,

(Miss Nancy Chien)  
for Commissioner of Insurance  
(Insurance Authority)

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