

Our Ref: INS/TEC/6/45

10 November 2025

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 30 June 2025, we are writing to inform you of the following developments:

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

- (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 anti-money laundering and counter-financing of terrorism (“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.

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

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.

effective countermeasures in line with Recommendation 19.

In September 2025, Iran provided an update to the FATF on its ratification of the United Nations Convention against Transnational Organized Crime (“Palermo 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 Convention are overly broad and that Iran’s domestic compliance with Palermo Convention 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 FATF High Risk Jurisdictions Subject to a Call for Action statement until the full Action Plan has been completed.

The statement on the aforesaid high-risk jurisdictions subject to a Call for Action can be found on the website of the FATF (<https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-october-2025.html>).

- (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 urged Myanmar to work to fully address its AML/CFT deficiencies. While overall progress continues to be slow, it will remain on the list of countries subject to a call for action until its full action plan is completed. 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. In this connection, IIs should apply enhanced due diligence measures, proportionate to the risks, to business relationships and transactions with natural and legal persons from Myanmar.

(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/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-october-2025.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

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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, 22 – 24 October 2025

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 adopted new guidance, which aims to address low levels of recovery of criminal assets around the world, to help countries understand and implement recently strengthened FATF Standards on asset recovery, which gave jurisdictions a more robust toolkit to target and confiscate criminal assets.
- (b) A new ‘Horizon Scan’ agreed by the FATF warns of how criminals can exploit generative AI, AI agents and other new technologies to facilitate their illicit activities. For example, deepfakes can be developed at scale to enable cyber fraud. The forthcoming Horizon Scan will examine a few case studies for countries and the private sector to consider as they strengthen their safeguards and harness AI responsibly to protect against criminal activity.

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-october-2025.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
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