



DPSB/AML/2024/02
12 July 2024

Circular

Circular to Dealers in Precious Metals and Stones
Anti-Money Laundering / Counter-Terrorist Financing

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

Further to our related circular issued on 11 March 2024, this is to inform you that the Financial Action Task Force (“FATF”) issued a statement on High-Risk Jurisdictions subject to a Call for Action on 28 June 2024, which can be found at:

<https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-june-2024.html>

For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and, in the most serious cases, apply countermeasures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing risks emanating from those countries.

(i) Jurisdictions subject to a FATF’s call for applying countermeasures

The statement advised its members to refer to the list of high-risk jurisdictions subject to a call for countermeasures adopted in February 2020, namely Iran and the Democratic People’s Republic of Korea (“DPRK”) ^{Note 1}.

In light of the COVID-19 pandemic, the FATF has paused the review process for Iran and DPRK since February 2020, given that they are already subject to the FATF’s call for countermeasures. Iran reported in January 2024 with no material changes in the status of its action plan. Given heightened proliferation financing risks, the FATF reiterates its call to apply countermeasures ^{Note 2} on these high risk jurisdictions.

(ii) Jurisdiction subject to a FATF’s call for applying enhanced due diligence measures proportionate to the risks arising from the jurisdiction

The FATF determined that Myanmar will remain on the list of countries subject to a call for action until its full action plan is completed, and called on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from Myanmar.

Note 1 The statement can be found on the website of the FATF at (<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-february-2020.html>).

Note 2 The examples of the countermeasures can be found in the Interpretative Note to Recommendation 19 (<https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf>).



(2) FATF Statement on Jurisdictions under Increased Monitoring

In addition, the FATF has issued an updated statement on Jurisdictions under Increased Monitoring which can be found at <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-june-2024.html> ^{Note 3}. Dealers in Precious Metals and Stones (“DPMS”) are reminded that two new jurisdictions were added into the list, namely Monaco and Venezuela, and two jurisdictions were removed from the list, namely Jamaica and Türkiye.

The statement lists out the jurisdictions that have committed to resolving swiftly strategic deficiencies in their regime to counter money laundering, terrorist financing, and proliferation financing within agreed timeframes and are subject to increased monitoring. The FATF closely monitors 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.

DPMS are advised to stay alert to the potential money laundering and terrorist financing risks posed by the jurisdictions mentioned in the paragraphs above. If a dealer knows or suspects any property being crime proceed or terrorist property, he/she should make a suspicious transaction report to the Joint Financial Intelligence Unit (<https://www.jfiu.gov.hk/en/>). Category B registrants (“CBRs”) are further reminded to refer to the “Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Category B Registrants Dealing in Precious Metals and Stones)” which contains guidance on the appropriate measures that CBRs should take to ensure compliance with the relevant requirements.

Should you have any queries, please contact us at 3580 1484.

Dealers in Precious Metals and Stones Supervision Bureau
Customs and Excise Department

^{Note 3} Jurisdictions included Bulgaria, Burkina Faso, Cameroon, Croatia, Democratic Republic of the Congo, Haiti, Kenya, Mali, Monaco, Mozambique, Namibia, Nigeria, Philippines, Senegal, South Africa, South Sudan, Syria, Tanzania, Venezuela, Vietnam, Yemen