FATF ✦ GAFI

Financial Action Task Force on Money Laundering
Groupe d'Action Financière sur le Blanchiment de Capitaux

Paris, 3 November 2003

FATF decides to impose counter-measures on Myanmar

The Financial Action Task Force (FATF) hereby calls upon its members to apply counter-measures[1] to Myanmar beyond those currently in place under Recommendation 21.[2] This action is based on the decision taken by the FATF Plenary in Stockholm on 3 October 2003. Myanmar was identified as a non-cooperative country or territory (NCCT) in the fight against money laundering in June 2001. Since that time, Myanmar has still not addressed major deficiencies in its anti-money laundering regime. In particular, Myanmar has failed to establish a framework to engage in effective international cooperation in the fight against money laundering, and its anti-money laundering law continues to lack the implementing regulations necessary to make it enforceable.

At its next Plenary meeting on 25-27 February 2004, the FATF will review again the situation in Myanmar. The FATF hopes that, prior to that meeting, Myanmar will comprehensively address the deficiencies in its anti-money laundering regime.

Further information about the FATF and its work on NCCTs can be found at: http://www.fatf-gafi.org.

The FATF is an independent international body whose Secretariat is housed at the OECD. The thirty-one member countries and governments of the FATF are: Argentina; Australia, Austria; Belgium; Brazil; Canada; Denmark; Finland; France; Germany; Greece; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; United Kingdom; and the United States. The European Commission and the Gulf Co-operation Council are also members of the FATF.

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1 See Annex regarding additional counter-measures.

2 Recommendation 21: Financial institutions should give special attention to business relationships and transactions with persons, including companies and financial institutions, from countries which do not or insufficiently apply the FATF Recommendations. Whenever these transactions have no apparent economic or visible lawful purpose, their background and purpose should, as far as possible, be examined, the findings established in writing, and be available to help competent authorities. Where such a country continues not to apply or insufficiently applies the FATF Recommendations, countries should be able to apply appropriate countermeasures.

ANNEX

FATF Counter-measures for Non-cooperative Countries and Territories

In addition to the application of Recommendation 21, the FATF recommends the application of further counter-measures which should be gradual, proportionate and flexible regarding their means and taken in concerted action towards a common objective. It believes that enhanced surveillance and reporting of financial transactions and other relevant actions involving the concerned jurisdictions is required, including the possibility of:

- Stringent requirements for identifying clients and enhancement of advisories, including jurisdiction-specific financial advisories, to financial institutions for identification of the beneficial owners before business relationships are established with individuals or companies from these countries;

- Enhanced relevant reporting mechanisms or systematic reporting of financial transactions on the basis that financial transactions with such countries are more likely to be suspicious;

- In considering requests for approving the establishment in FATF member countries of subsidiaries or branches or representative offices of banks, taking into account the fact that the relevant bank is from an NCCT;

- Warning non-financial sector businesses that transactions with entities within the NCCTs might run the risk of money laundering.