Improving Global AML/CFT Compliance: on-going process - 24 June 2011

24 June 2011 - As part of its on-going review of compliance with the AML/CFT standards, the FATF has to date identified the following jurisdictions which have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF. While the situations differ among each jurisdiction, each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. The FATF welcomes these commitments.

A large number of jurisdictions have not yet been reviewed by the FATF. The FATF continues to identify additional jurisdictions, on an on-going basis, that pose a risk to the international financial system. The FATF has additionally begun initial reviews of a number of other jurisdictions as part of this process and will present its findings later this year.

The FATF and the FSRBs will continue to work with the jurisdictions noted below and to report on the progress made in addressing the identified deficiencies. The FATF calls on these jurisdictions to complete the implementation of action plans expeditiously and within the proposed timeframes. The FATF will closely monitor the implementation of these action plans and encourages its members to consider the information presented below.

Angola

In February 2010, Angola made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Since then, Angola has taken steps towards improving its AML/CFT regime, including by establishing a legal framework for the FIU. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Angola should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); and (3) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets (Special Recommendation III). The FATF encourages Angola to address its remaining deficiencies and continue the process of implementing its action plan.

Antigua and Barbuda

In February 2010, Antigua and Barbuda made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic AML/CFT deficiencies remain. Antigua and Barbuda should continue to work on implementing its action plan to address these deficiencies, including by: (1) implementing an adequate legal framework for identifying and freezing terrorist assets (Special Recommendation III); and (2) continuing to improve the overall supervisory framework (Recommendation 23). The FATF encourages Antigua and Barbuda to address its remaining deficiencies and continue the process of implementing its action plan.

Argentina

In June 2011, Argentina made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Argentina has taken steps towards improving its AML/CFT regime, including by enacting amendments to its AML legislation on 17 June. Based on the initial analysis of the recent legal amendments, the FATF expressed some specific concerns that there are still shortcomings in the criminalisation of money laundering and further clarification is required. The FATF has determined that strategic AML/CFT deficiencies remain. Argentina will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures for the confiscation of funds related to money laundering and identifying and freezing terrorist assets (Recommendation 3 and Special Recommendation III); (3) enhancing financial transparency (Recommendation 4); (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit and improving suspicious transaction reporting requirements (Recommendation 13, Special Recommendation IV, and Recommendation 26); (5) implementing an adequate AML/CFT supervisory programme for all financial sectors (Recommendations 17, 23 and 29); (6) improving and broadening CDD measures (Recommendation 5); and (7) establishing appropriate channels for international cooperation and ensuring effective implementation (Recommendation 36, Recommendation 40 and Special Recommendation V). The FATF encourages Argentina to address its remaining deficiencies without delay and continue the process of implementing its action plan.

Bangladesh

In October 2010, Bangladesh made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Bangladesh should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (5) improving suspicious transaction reporting requirements (Recommendation 13 and Special Recommendation IV); and (6) improving international cooperation (Recommendations 36 and 39 and Special Recommendation V). The FATF encourages Bangladesh to address its remaining deficiencies and continue the process of implementing its action plan.

Brunei Darussalam

In June 2011, Brunei Darussalam made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Brunei Darussalam has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Brunei Darussalam will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) establishing and implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); (4) improving suspicious transaction reporting requirements (Recommendation 13 and Special Recommendation IV); (5) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); and (6) enacting and implementing appropriate mutual legal assistance legislation (Recommendation 36 and Special Recommendation V). The FATF encourages Brunei Darussalam to address its remaining deficiencies and continue the process of implementing its action plan.

Cambodia

In June 2011, Cambodia made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Cambodia has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Cambodia will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) establishing and implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); and (5) establishing and implementing effective controls for cross-border cash transactions (Special Recommendation IX). The FATF encourages Cambodia to address its remaining deficiencies and continue the process of implementing its action plan.

Ecuador

In June 2010, Ecuador made a high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic AML/CFT deficiencies remain. Ecuador should continue to work on implementing its action plan to address these deficiencies, including by: (1) ensuring adequate criminalisation of terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); and (4) reinforcing and improving coordination of financial sector supervision (Recommendation 23). The FATF encourages Ecuador to address its remaining deficiencies and continue the process of implementing its action plan.

Ghana

In October 2010, Ghana made a high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies. However, the FATF has determined that strategic AML/CFT deficiencies remain. Ghana should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate measures for the confiscation of funds related to money laundering (Recommendation 3); (3) establishing effective CDD measures (Recommendation 5); (4) establishing a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); and (5) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III). The FATF encourages Ghana to address its remaining deficiencies and continue the process of implementing its

action plan.

Honduras

In October 2010, Honduras made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. The FATF has determined that strategic AML/CFT deficiencies remain. Honduras should continue to work on implementing its action plan to address these deficiencies, including by: (1) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); and (3) improving and broadening CDD measures (Recommendation 5). The FATF encourages Honduras to address its remaining deficiencies and continue the process of implementing its action plan.

Indonesia

In February 2010, Indonesia made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since February, Indonesia has taken steps towards improving its AML/CFT regime, including by issuing circulars to financial institutions in accordance with its AML law. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Indonesia should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); and (3) amending and implementing laws or other instruments to fully implement the 1999 International Convention for the Suppression of Financing of Terrorism (Special Recommendation I). The FATF encourages Indonesia to address its remaining deficiencies and continue the process of implementing its action plan.

Mongolia

In June 2011, Mongolia made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Mongolia has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Mongolia will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) establishing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); (4) establishing suspicious transaction reporting requirements (Recommendation 13 and Special Recommendation IV); (5) establishing a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (6) demonstrating effective regulation of money service providers. The FATF encourages Mongolia to address its remaining deficiencies and continue the process of implementing its action plan.

Morocco

In February 2010, Morocco made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Since February, Morocco has demonstrated progress in improving its AML/CFT regime, including by adopting amendments to extend the scope of the money laundering and terrorist financing offences; to broaden customer due diligence requirements and taking steps to operationalise the FIU. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Morocco should continue to work on implementing its action plan to address these deficiencies, including by adequately criminalising terrorist financing (Special Recommendation II).

Namibia

In June 2011, Namibia made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. Namibia has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Namibia will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) implementing an adequate AML/CFT supervisory programme with sufficient powers (Recommendation 23 and 29); (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit, in particular addressing the operational autonomy of the FIU (Recommendation 26); (5) implementing effective, proportionate and dissuasive sanctions in order to deal with non-compliance with the national AML/CFT requirements (Recommendation 17); and (6) implementing the 1999 International Convention for the Suppression of Financing of Terrorism (Special Recommendation I). The FATF encourages Namibia to address its remaining deficiencies and continue the process of implementing its action plan.

Nepal

In February 2010, Nepal made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Since then, Nepal has taken steps towards improving its AML/CFT regime, including by passing legislation aimed at addressing deficiencies with regard to criminalisation of money laundering and terrorist financing, and confiscation and provisional measures and by ratifying the TF and Palermo Conventions. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Nepal should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); and (4) enacting and implementing appropriate mutual legal assistance legislation (Recommendation 36). The FATF encourages Nepal to address its remaining deficiencies and continue the process of implementing its action plan.

Nicaragua

In June 2011, Nicaragua made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. Nicaragua has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Nicaragua will work on implementing its action plan to address these deficiencies, including by: (1) establishing effective CDD measures and record-keeping requirements, in particular entities not currently regulated by the supervisory authority (Recommendation 5 and Recommendation 10); (2) establishing adequate STR reporting obligations for ML and FT (Recommendation 13 and Special Recommendation IV); (3) implementing an adequate AML/CFT supervisory programme for all financial sectors (Recommendation 23); (4) establishing a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); and (5) establishing adequate procedures for identifying and freezing terrorist assets (Special Recommendation III); The FATF encourages Nicaragua to address its remaining deficiencies and continue the process of implementing its action plan.

Nigeria

In February 2010, Nigeria made a high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies. Since then, Nigeria has taken steps towards improving its AML/CFT regime, including by enacting legislation to criminalise TF and ML. The FATF has not yet assessed this law due to its very recent nature. The FATF will assess this legislation, and, in any case, Nigeria should work on addressing its deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) ensuring that relevant laws or regulations address deficiencies in customer due diligence requirements and that they apply to all financial institutions (Recommendation 5); and (4) demonstrating that AML/CFT supervision is undertaken effectively across the financial sector (Recommendation 23). The FATF encourages Nigeria to address its remaining deficiencies and continue the process of implementing its action plan.

Pakistan

In June 2010, Pakistan made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic AML/CFT deficiencies remain. The FATF is particularly concerned with the lack of implementation regarding Pakistan's terrorist financing offence and calls upon Pakistan to demonstrate specific action. Pakistan should continue to work on implementing its action plan to address these deficiencies, including by (1) demonstrating adequate criminalisation of money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) demonstrating adequate procedures to identify, freeze and confiscate terrorist assets (Special Recommendation III); (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (4) demonstrating effective regulation of money service providers, including an appropriate sanctions regime, and increasing the range of ML/FT preventive measures for these services (Special Recommendation VI); and (5) improving and implementing effective controls for cross-border cash transactions (Special Recommendation IX). The FATF encourages Pakistan to address its remaining deficiencies and continue the process of implementing its action plan.

Paraguay

In February 2010, Paraguay made a high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies. Since February, Paraguay has taken steps towards improving its AML/CFT regime, including issuing regulations prohibiting anonymous accounts. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Paraguay should continue to work on implementing its action plan to address these deficiencies, including by: (1) establishing and implementing adequate procedures to identify, freeze and confiscate terrorist assets (Special

Recommendation III). The FATF encourages Paraguay to address this remaining deficiency and continue the process of implementing its action plan.

Philippines

In October 2010, the Philippines made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since February, Philippines has taken steps towards improving its AML/CFT regime, including by conducting outreach with regard to the AML regulations. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. The Philippines should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) implementing adequate procedures to identify and freeze terrorist assets and confiscate funds related to money laundering (Special Recommendation III and Recommendation 3); (3) enhancing financial transparency (Recommendation 4); (4) extending coverage of reporting entities (Recommendations 12 and 16). The FATF encourages the Philippines to address its remaining deficiencies and continue the process of implementing its action plan.

Sudan

In February 2010, Sudan made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic AML/CFT deficiencies remain. Sudan should continue to work on implementing its action plan to address these deficiencies, including by: (1) implementing adequate procedures for identifying and freezing terrorist assets (Special Recommendation III); (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (3) ensuring financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to ML and FT (Recommendation 13 and Special Recommendation IV); and (4) implementing a supervisory programme for the regulators to ensure compliance with the provisions of the new law and regulations (Recommendation 23). The FATF encourages Sudan to address its remaining deficiencies and continue the process of implementing its action plan.

Tajikistan

In June 2011, Tajikistan made a high-level political commitment to work with the FATF and EAG to address its strategic AML/CFT deficiencies. Tajikistan has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Tajikistan will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures for the confiscation of funds related to money laundering and identifying and freezing terrorist assets (Recommendation 3 and Special Recommendation III); (3) enhancing financial transparency (Recommendation 4); (4) ensuring afully operational, and effectively functioning Financial Intelligence Unit and improving suspicious transaction reporting requirements (Recommendation 13, Special Recommendation IV, and Recommendation 26); and (5) improving and broadening CDD measures (Recommendation 5). The FATF encourages Tajikistan to address its remaining deficiencies and continue the process of implementing its action plan.

Tanzania

In October 2010, Tanzania made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic AML/CFT deficiencies remain. Tanzania should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets as well as implementing the UNSCR 1267 and 1373 through law, regulations or other enforceable means (Special Recommendation III); (3) establishing effective CDD measures (Recommendation 5); (4) establishing adequate record-keeping requirements (Recommendation 10); (5) establishing a fully operational and effectively functioning national Financial Intelligence Unit (Recommendation 26); and (6) designating competent authorities to ensure compliance with AML/CFT requirements (Recommendation 23). The FATF encourages Tanzania to address its remaining deficiencies and continue the process of implementing its action plan.

Thailand

In February 2010, Thailand made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since February, Thailand has taken steps towards improving its AML/CFT regime, including by issuing ministerial regulations on cash threshold transactions. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Thailand should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising

terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); and (3) further strengthening AML/CFT supervision (Recommendation 23). The FATF encourages Thailand to address its remaining deficiencies and continue the process of implementing its action plan.

Turkmenistan

In June 2010, Turkmenistan made a high-level political commitment to work with the FATF and EAG to address its strategic AML/CFT deficiencies. Since February, Turkmenistan has taken steps towards improving its AML/CFT regime, including by adequately criminalising money laundering and terrorist financing. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Turkmenistan should continue to work on implementing its action plan to address these deficiencies, including by: (1) implementing adequate procedures to identify and freeze terrorist assets without delay (Special Recommendation III); (2) ensuring a fully operational and effectively functioning FIU (Recommendation 26); (3) developing collaboration between the FIU and domestic counterparts, including supervisory authorities; and (4) strengthening international cooperation. The FATF encourages Turkmenistan to address its remaining deficiencies and continue the process of implementing its action plan.

Trinidad and Tobago

In February 2010, Trinidad and Tobago made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. Since February, Trinidad and Tobago has taken steps towards improving its AML/CFT regime, including by enacting FIU regulations and amendments to the Anti-Terrorism Act regarding freezing of terrorist assets. The FATF has not yet assessed this law due to its recent nature. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Trinidad and Tobago should continue to work on implementing its action plan to address these deficiencies, including by (1) implementing adequate procedures to identify and freeze terrorist assets without delay (Special Recommendation III); (2) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); and (3) establishing a fully operational and effectively functioning FIU, including supervisory powers (Recommendation 26). The FATF encourages Trinidad and Tobago to address its remaining deficiencies and continue the process of implementing its action plan.

Ukraine

In February 2010, Ukraine made a high-level political commitment to work with the FATF and MONEYVAL to address its strategic AML/CFT deficiencies. Since that time, Ukraine has demonstrated progress in improving its AML/CFT regime, including by adopting legislation that aims to address issues relating to criminalisation of money laundering and terrorist financing and freezing of terrorist assets under UNSCR 1373. The FATF will conduct an on-site visit to confirm that the process of implementing the required reforms and actions is underway to address deficiencies previously identified by the FATF.

Venezuela

In October 2010, Venezuela made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic deficiencies remain. Venezuela should continue to work with the FATF and CFATF on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendations I and III); (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit, in particular addressing the operational autonomy of the FIU (Recommendation 26); (4) implementing adequate CDD guidelines for all sectors (Recommendation 5); and (5) establishing adequate STR reporting obligations for ML and FT (Recommendation 13 and Special Recommendation IV). The FATF encourages Venezuela to address its remaining deficiencies and continue the process of implementing its action plan.

Vietnam

In October 2010, Vietnam made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic AML/CFT deficiencies remain. Vietnam should continue to work with the FATF and APG on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) making legal persons subject to criminal liability in line with FATF Recommendation 2 or demonstrating that there is a constitutional prohibition to prevent this (4) improving the overall supervisory framework (Recommendation 23); (5) improving and broadening customer due diligence

measures and reporting requirements (Recommendation 5, 13, and Special Recommendation IV); and (6) strengthening international cooperation (Recommendations 36, 40). The FATF encourages Vietnam to address its remaining deficiencies and continue the process of implementing its action plan.

Yemen

In February 2010, Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. The FATF has determined that certain strategic deficiencies remain. Yemen should continue to work on implementing its action plan to address these deficiencies, including by: (1) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (2) issuing substantive guidance/instructions to reporting institutions with respect to their ML/FT obligations (Recommendation 25); (3) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the FIU, to ensure compliance by financial institutions with their STR obligations, especially in relation to FT (Recommendation 23); and (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26). The FATF encourages Yemen to address its remaining deficiencies and continue the process of implementing its action plan.

Zimbabwe

In June 2011, Zimbabwe made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. Zimbabwe has taken steps towards improving its AML/CFT regime. However, the FATF has determined that strategic AML/CFT deficiencies remain. Zimbabwe will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation I and Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (4) ensuring financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to ML and FT (Recommendation 13 and Special Recommendation IV); (5) enacting and implementing appropriate mutual legal assistance legislation (Special Recommendation V); and (6) implementing the 1999 International Convention for the Suppression of Financing of Terrorism (Special Recommendation I). The FATF encourages Zimbabwe to address its remaining deficiencies and continue the process of implementing its action plan.

Greece

The FATF welcomes Greece's significant progress in improving its AML/CFT regime and notes that Greece has met its commitments in its Action Plan regarding the strategic AML/CFT deficiencies that the FATF had identified in February 2010. Greece is therefore no longer subject to FATF's monitoring process under its on-going global AML/CFT compliance process. Greece will work with the FATF in further strengthening its AML/CFT regime.

Jurisdiction not making sufficient progress

The FATF is not yet satisfied that the following jurisdiction has made sufficient progress on its action plan agreed upon with the FATF. The most significant action plan items and/or the majority of the action plan items have not been addressed. If this jurisdiction does not take sufficient action to implement significant components of its action plan by October 2011, then the FATF will identify this jurisdiction as being out of compliance with its agreed action plans and will take the additional step of calling upon its members to consider the risks arising from the deficiencies associated with the jurisdiction.

São Tomé and Príncipe

Despite São Tomé and Príncipe's high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies, the FATF is not yet satisfied that São Tomé and Príncipe has made sufficient progress in implementing its action plan, and certain strategic deficiencies remain. São Tomé and Príncipe should work on addressing these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (3) ensuring that financial institutions and DNFBPs are subject to adequate AML/CFT regulation and supervision, and that a competent authority or competent authorities have been designated to ensure compliance with AML/CFT requirements (Recommendations 23, 24 and 29); (4) implementing effective, proportionate and dissuasive sanctions in order to deal with natural or legal persons that do not comply with the national AML/CFT requirements (Recommendation 17); and (5) taking the necessary action to gain membership of GIABA. The FATF encourages São Tomé and Príncipe to address its remaining

deficiencies and continue the process of implementing its action plan.