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Circular No. 5 of 2025

Financial Action Task Force ("FATF") statements concerning:

1) Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures.

2) High-risk jurisdictions 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.

3) Jurisdictions under increased monitoring of the FATF.

The Financial Intelligence Unit (FIU) would like to draw attention of all reporting entities to the following statements released by the Financial Action Task Force (FATF) following its plenary meeting of October 2025:

1) Statement regarding jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures

The Financial Action Task Force (FATF) remains deeply concerned about the Democratic People's Republic of Korea (DPRK) and the Islamic Republic of Iran due to significant and ongoing deficiencies in their anti-money laundering and counter-terrorist financing (AML/CFT) regimes.

For the DPRK, these deficiencies are linked to illicit activities associated with the proliferation of weapons of mass destruction (WMDs) and their financing. Since 2011, the FATF has called on all jurisdictions to implement targeted financial sanctions in line with United Nations Security Council Resolutions (UNSCRs) and to apply countermeasures, including terminating correspondent relationships with DPRK banks, closing any branches or subsidiaries of DPRK financial institutions, and restricting business or financial transactions with DPRK persons and entities. Despite these measures, the DPRK has continued to expand its engagement with the international financial system, increasing proliferation financing risks. The FATF therefore urges all jurisdictions to remain vigilant and apply enhanced due diligence to DPRK-related transactions.

With regard to Iran, progress in addressing AML/CFT deficiencies has been limited. Iran's action plan, agreed in June 2016 and expired in January 2018, remains largely incomplete. The FATF continues to call on jurisdictions to apply effective countermeasures in line with Recommendation 19 (High Risk Countries), including restrictions on the establishment of branches or subsidiaries of Iranian financial institutions. Iran is strongly encouraged to accelerate the implementation of its commitments, including adequately criminalising terrorist financing, identifying and freezing terrorist assets in line with the relevant UNSCRs, ensuring an adequate and enforceable customer due diligence regime, regulating unlicensed money or value transfer services, and ratifying and implementing the Terrorist Financing and Palermo Conventions in line with the FATF standards and clarify the capability to provide mutual legal assistance and ensuring that financial institutions verify that wire transfers contain complete originator and beneficiary information..

Both the DPRK and Iran remain on the FATF list of High-Risk Jurisdictions subject to a Call for Action. The FATF urges all countries to maintain vigilance, apply enhanced due diligence, and ensure compliance with relevant UNSCRs when engaging in transactions involving these jurisdictions.

2) **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**

The FATF calls on its members and all jurisdictions to apply enhanced due diligence in relation to Myanmar, due to the country's continued strategic deficiencies in its AML/CFT regime. Myanmar's action plan, agreed in February 2020, expired in September 2021, and progress has been limited.

Reporting entities are expected to increase monitoring of business relationships and transactions to identify unusual or suspicious activity. Enhanced due diligence measures should be proportionate to the risks and ensure that legitimate financial flows, including for humanitarian assistance, non-profit organisations, and remittances, are not disrupted or discouraged.

Myanmar will remain on the FATF list of jurisdictions subject to a call for action until the full action plan is completed. The FATF will continue to monitor the implementation of enhanced due diligence measures and progress against strategic deficiencies.

3) **Statement regarding jurisdictions under increased monitoring**

These jurisdictions, often referred to as being on the "grey list," are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing.

Key points from the statement include:

1) Countries on the list have committed to swiftly resolving identified strategic deficiencies within agreed timeframes and are subject to increased monitoring.
2) The FATF does not call for the application of enhanced due diligence measures to be applied to these jurisdictions. The FATF Standards do not envisage de-risking, or cutting-off entire classes of customers, but call for the application of a risk-based approach considering the information presented on the countries on the list.
3) Countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity, and remittances are neither disrupted nor discouraged.

4) Jurisdictions should consider their international obligations under United Nations Security Council Resolution 2761 (2024) on humanitarian exemptions to asset freeze measures imposed by UN sanctions regimes.

The FATF has updated its statements on the progress of the following countries: Algeria, Angola, Bulgaria; Burkina Faso, Cameroon, Côte d'Ivoire, Democratic Republic of the Congo, Kenya, Lao PDR, Monaco, Mozambique, Namibia; Nepal, Nigeria, South Africa, South Sudan, Syria, Venezuela and Vietnam.

Bolivia, Haiti, Lebanon, the Virgin Islands (UK) and Yemen chose to defer reporting; thus, the statements issued previously for those jurisdictions may not necessarily reflect the most recent status of the jurisdictions' AML/CFT regimes.

The FATF has confirmed that Burkina Faso, Mozambique, Nigeria and South Africa are no longer subject to its monitoring and welcomed the progress these jurisdictions have made in strengthening the effectiveness of their regimes to counter money laundering, terrorist financing and proliferation financing.

OBLIGATION TO APPLY ENHANCED DUE DILIGENCE AND ENHANCED ON-GOING MONITORING

Section 41(3) of the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020 ("AML/CFT Act") and Regulation 16 of the Anti-Money and Countering the Financing of Terrorism Regulations, 2020 ("AML/CFT Regulations") call for all reporting entities to apply enhanced due diligence measures and enhanced ongoing monitoring required under section 35 of the AML/CFT Act on a risk-sensitive basis, in any situation which by its nature presents a higher risk of money laundering, terrorist financing activities or other criminal conduct, or in respect of a business relationship with persons from, and transactions in, countries which do not apply or fully apply the FATF Recommendations.

All reporting entities are required to ensure that they remain up to date with the information provided by the FATF in regard to high-risk and other monitored jurisdictions and are aware of any changes or updates made to the lists published by FATF. The FIU advises reporting entities to consult the FATF website for the full and updated statements and to take the information on of each of the abovementioned jurisdictions in the FATF's statements into account when determining the factors relating to any of those jurisdictions that may be indicative of money laundering and terrorist financing risks.

Reporting entities are reminded of the importance of complying with their obligations under Section 41(3) of the AML/CFT Act and Regulation 16 of the AML/CFT Regulations and are further reminded that non-compliance may lead to the FIU taking relevant enforcement actions.

Reporting entities may contact the FIU Compliance Division on Tel: (+248) 4383 431 or email to supervision&compliance@fiu.sc for any further clarification or further information regarding the content of this Circular.

Financial Intelligence Unit

October 30, 2025