Department of the Treasury
Financial Crimes Enforcement Network

Advisory

FIN-2013-A004

Issued: April 24, 2013

Subject: Guidance to Financial Institutions Based on the Financial Action Task Force Public Statement on Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) Risks.

1. <u>Countermeasures</u>: Iran and Democratic People's Republic of Korea (DPRK).

2. <u>Enhanced Due Diligence</u>: Ecuador, Ethiopia, Indonesia, Kenya, Myanmar, Nigeria, Pakistan, São Tomé and Príncipe, Syria, Tanzania, Turkey, Vietnam, and Yemen.

The Financial Crimes Enforcement Network (FinCEN) is issuing this advisory to inform banks and other financial institutions operating in the United States of the risks of money laundering and financing of terrorism associated with jurisdictions identified by the Financial Action Task Force (FATF),[1] on February 22, 2013, as having deficiencies in their AML/CFT regimes and that (i) have not made sufficient progress in addressing these deficiencies or (ii) are subject to FATF's call for countermeasures.[2] Also, FinCEN is issuing a complementary advisory today, FIN-2013-A003,[3] which addresses a separate, but related, FATF document identifying jurisdictions with strategic AML/CFT deficiencies, for which each jurisdiction has provided a high-level political commitment to address.

[1] The FATF is a 36-member inter-governmental policy-making body whose purpose is to establish international standards and develop and promote policies, both at national and international levels, to combat money laundering and counter the financing of terrorism and proliferation of weapons of mass destruction (WMD). See www.fatf-gafi.org. The United States is a member of the FATF. All of FATF's public statements are available, at http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/.
[2] The FATF issued two documents: (i) a public statement, at http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/documents/fatfpublicstatement22february2013.html; and (ii) a publication entitled "Improving Global AML/CFT Compliance: On-Going Process - 22 February 2013" at http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/documents/improvingglobalamlcftcomplianceon-goingprocess-22february2013.html.
[3] See [FIN-2013-A003].

The FATF public statement comes in response to the G-20 leaders' call for the FATF to reinvigorate its process for assessing countries' compliance with international AML/CFT standards and to publicly identify high-risk jurisdictions.[4] Also, the G-20 leaders have repeatedly called for FATF to issue regular updates on jurisdictions with strategic deficiencies.[5] Specifically, the FATF's International Cooperation Review Group (ICRG) is tasked with leading this process to identify and examine uncooperative jurisdictions and jurisdictions that are failing to implement effective AML/CFT systems. On February 22, 2013, at the FATF Plenary, the FATF adopted the recommendations of the ICRG and publicly identified jurisdictions with strategic AML/CFT deficiencies. The FATF public statement, which is reprinted below and can be found on the FATF website, cites specific concerns regarding each of the jurisdictions and calls for action on the part of FATF's members. This is an important step in our collective efforts to protect the international financial system from abuse.

The countries on this advisory have changed since FinCEN's Advisory, dated November 21, 2012. In particular, due to AML/CFT improvements, Bolivia, Sri Lanka, and Thailand have been removed from this document and added to the separate but related FinCEN advisory, FIN-2013-A003.[6] In addition, Cuba has been removed and added to FinCEN advisory, FIN-2013-A003, because Cuba has provided the FATF with a high-level political commitment to address its AML/CFT deficiencies. This advisory also includes a FATF Statement on Turkey, including a decision not to suspend Turkey's membership, on February 22, 2013, because Turkey adopted legislation that addresses many of the shortcomings in its terrorist financing offence and creates the legal basis for freezing terrorist assets.

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[4] See "Declaration on Strengthening the Financial System: London Summit, April 2, 2009," at http://www.treasury.gov/resource-center/international/g7-g20/Documents/London%20April%202009%20Fin_Deps_Fin_Reg_Annex_020409_-_1615_final.pdf and "Leaders' Statement: The Pittsburgh Summit, September 24 - 25, 2009," at http://www.treasury.gov/resource-center/international/g7-g20/Documents/pittsburgh_summit_leaders_statement_250909.pdf?bcsi_scan_D92198957E035F0B=lUBct6cE6cl6JeuGQT0yT3RFdOAZAAAAmn19Gw==&bcsi_scan_filename=pittsburgh_summit_leaders_statement_250909.pdf .

[5] See "The G-20 Seoul Summit Leaders' Declaration, November 11-12, 2010," at http://www.treasury.gov/resource-center/international/Documents/1%20%20FINAL%20SEOUL%20COMMUNIQUE.pdf and "The G-20 Toronto Summit Declaration, June 26-27, 2010," at http://www.treasury.gov/resource-center/international/Documents/The%20G-20%20Toronto%20Summit%20Declaration.pdf.

[6] See [FIN-2013-A003].

FATF Public Statement - 22 February 2013[7]

The Financial Action Task Force (FATF) is the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). In order to protect the international financial system from money laundering and financing of terrorism (ML/FT) risks and to encourage greater compliance with the AML/CFT standards, the FATF identified jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.

[Chart omitted]

1. Jurisdictions subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing (ML/TF) risks emanating from the jurisdictions.

Iran

The FATF remains particularly and exceptionally concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system, despite Iran's previous engagement with the FATF and recent submission of information.

The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF reaffirms its 25 February 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. FATF continues to urge jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices and to take into account ML/FT risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdiction. Due to the continuing terrorist financing threat emanating from Iran, jurisdictions should consider the steps already taken and possible additional safeguards or strengthen existing ones.

[7] The text makes reference to the relevant FATF Style Regional Bodies (FSRBs) with whom FATF will continue to work to address the deficiencies identified. These FSRBs include: Caribbean Financial Action Task Force (CFATF); the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL); Financial Action Task Force of South America Against Money Laundering (GAFISUD); Asia/Pacific Group on Money Laundering (APG); Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG); Middle East & North Africa Financial Action Task Force (MENAFATF); Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG); and Intergovernmental Anti-Money Laundering Group in Africa (GIABA).

The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalising terrorist financing and effectively implementing suspicious transaction reporting (STR) requirements. If Iran fails to take concrete steps to continue to improve its CFT regime, the FATF will consider calling on its members and urging all jurisdictions to strengthen counter-measures in June 2013.

Democratic People's Republic of Korea (DPRK)

Since October 2012, DPRK has reached out to the APG regarding joining that body and has engaged directly with the FATF. The FATF urges the DPRK to enhance its engagement with these bodies to agree with the FATF on an action plan to address its AML/CFT deficiencies.

The FATF remains concerned by the DPRK's failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threat this poses to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies.

The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the DPRK, including DPRK companies and financial institutions. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from the DPRK. Jurisdictions should also protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and take into account ML/FT risks when considering requests by DPRK financial institutions to open branches and subsidiaries in their jurisdiction.

2. Jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction, as described below.

Ecuador

Ecuador has taken steps towards improving its AML/CFT regime, including by tabling CFT legislation in Parliament. Despite Ecuador's high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies, Ecuador has not made sufficient progress in implementing its action plan within the established timelines, and certain strategic deficiencies remain. Ecuador should continue to work with the FATF and

GAFISUD on implementing its action plan to address these deficiencies, including by: (1) ensuring adequate criminalisation of terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) implementing adequate procedures for the confiscation of funds related to money laundering; and (4) continuing to enhance co-ordination of financial sector supervision. The FATF encourages Ecuador to address its remaining deficiencies, including by enacting CFT legislation, and continue the process of implementing its action plan.

Ethiopia

Ethiopia has taken steps towards improving its AML/CFT regime, including by adopting a new AML/CFT law on 4 January 2013. The FATF has not yet assessed this law due to its very recent nature, and therefore the FATF has not yet determined the extent to which it addresses any of the following issues: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing an adequate legal framework and procedures to identify and freeze terrorist assets; (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit; and (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. Despite Ethiopia's high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies, Ethiopia has not made sufficient progress in implementing its action plan within the agreed timelines, and certain strategic AML/CFT deficiencies may remain. The FATF encourages Ethiopia to address its remaining deficiencies and continue the process of implementing its action plan.

Indonesia

Indonesia has taken significant steps towards improving its AML/CFT regime, including by enacting CFT legislation to criminalise terrorist financing largely consistent with the FATF Standards. The FATF has not yet assessed this law due to its very recent nature. Further, the FATF has yet to determine the extent to which Indonesia has established and implemented adequate procedures to identify and freeze terrorist assets. The FATF encourages Indonesia to address these remaining issues, in compliance with FATF standards.

Kenya

Kenya has taken significant steps towards improving its AML/CFT regime, including the enactment of the Proceeds of Crime and Anti-Money Laundering (Amendment) Act - which addresses deficiencies in the criminalisation of money laundering and freezing/seizing/confiscation of assets - and the issuance of revised AML Guidelines by the Central Bank. However, despite Kenya's high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies, Kenya has not made sufficient progress in implementing its action plan within the agreed timelines, and certain strategic AML/CFT deficiencies remain. Kenya should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit; (3) establishing and implementing an adequate legal framework for the identification and freezing of terrorist assets; (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; (5) implementing an adequate and effective AML/CFT supervisory programme for all financial sectors; and (6) further improving and broadening customer due diligence measures. The FATF encourages Kenya to address its remaining deficiencies and continue the process of implementing its action plan.

Myanmar

Myanmar has taken steps towards improving its AML/CFT regime. However, despite Myanmar's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Myanmar has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) further strengthening the extradition framework in relation to terrorist financing; (4) ensuring a fully operational and effectively functioning Financial Intelligence Unit; (5) enhancing financial transparency; and (6) strengthening customer due diligence measures. The FATF encourages Myanmar to address the remaining deficiencies and continue the process of implementing its action plan.

Nigeria

Nigeria has taken significant steps towards improving its AML/CFT regime, including by enacting the Money Laundering (Prohibition) (Amendment) Act and, on 21 February 2013, the Terrorism (Prevention) (Amendment) Act, 2013. The FATF has not yet assessed the legislation, due to the very recent nature of its enactment. Therefore, the FATF has yet to determine whether the legislation adequately criminalises terrorist financing and money laundering in line with international standards. The FATF encourages Nigeria to address these remaining issues and continue the process of implementing its action plan.

Pakistan

Pakistan has taken steps towards improving its AML/CFT regime, including by issuing an SRO to increase the maximum monetary sanction for non-compliance with S/RES/1267. However, despite Pakistan's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Pakistan has not yet made sufficient progress in fully implementing its action plan, and certain key CFT deficiencies remain. Specifically, Pakistan needs to amend its Anti-Terrorism Act to ensure that it meets the FATF standards regarding the terrorist financing offence and the ability to identify and freeze terrorist assets. The FATF encourages Pakistan to address the remaining deficiencies and continue the process of implementing its action plan.

São Tomé and Príncipe

São Tomé and Príncipe has provided for the enforcement of its AML/CFT law through bringing into force the new Penal Code. However, despite São Tomé and Príncipe's high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies, São Tomé and Príncipe has not made sufficient progress in implementing its action plan, and certain strategic deficiencies remain. São Tomé and Príncipe should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing a fully operational and effectively functioning Financial Intelligence Unit; (3) ensuring that financial institutions and DNFBPs are subject to adequate AML/CFT regulation and supervision; and (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. The FATF encourages São Tomé and Príncipe to address its remaining deficiencies and continue the process of implementing its action plan.

Syria

Despite Syria's high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain. Syria should continue to work on implementing its action plan to address these deficiencies, including by: (1) providing sufficient legal basis for implementing the obligations under S/RES/1373 and implementing adequate procedures for identifying and freezing terrorist assets; and (2) ensuring that appropriate laws and procedures are in place to provide mutual legal assistance. The FATF encourages Syria to address its remaining deficiencies and continue the process of implementing its action plan.

Tanzania

Tanzania has taken significant steps towards improving its AML/CFT regime, including by ratifying the Terrorist Financing Convention. However, despite Tanzania's high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies, Tanzania has not made sufficient progress in implementing its action plan within the agreed timelines, and certain strategic CFT deficiencies remain regarding the establishment and implementation of adequate procedures to identify and freeze terrorist assets. The FATF encourages Tanzania to address this remaining deficiency and continue the process of implementing its action plan.

Turkey[8]

Turkey has taken significant steps towards improving its CFT regime, including by enacting a new law that addresses many of the shortcomings identified in Turkey's terrorist financing offence and creates the legal basis for the freezing of terrorist assets. The FATF welcomes this significant step made by Turkey, which improves the country's compliance with the international standards. As a consequence, the FATF has decided not to suspend Turkey's membership. In spite of this positive step, there still remain a number of on-going shortcomings in the Turkish counter-terrorist financing regime. Turkey must address these shortcomings in order to reach a satisfactory level of compliance with the FATF standards. Turkey has committed to addressing these deficiencies and will submit, prior to the next FATF meeting in June 2013, a report on how these deficiencies are being addressed.

Vietnam

Vietnam has taken steps towards improving its AML/CFT regime. However, despite Vietnam's high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies, Vietnam has not made sufficient progress in implementing its action plan, and 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) addressing the remaining issues regarding adequate criminalisation of terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) making legal persons subject to criminal liability in line with FATF Standards and (4) strengthening international co-operation. The FATF urges Vietnam to address its remaining deficiencies and continue the process of implementing its action plan.

Yemen

Despite Yemen's high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has not made sufficient progress in implementing its action plan and certain strategic AML/CFT deficiencies remain. Yemen should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing and implementing adequate procedures to identify and freeze terrorist assets; (3) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the Financial Intelligence Unit (FIU) to ensure

[8] The FATF has issued an additional statement on Turkey, which is included below.

compliance by financial institutions with their suspicious transaction reporting obligations, especially in relation to the financing of terrorism; and (4) ensuring a fully operational and effectively functioning FIU. The FATF encourages Yemen to address its remaining deficiencies and continue the process of implementing its action plan.

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In addition to issuing the above document, the "Outcomes of the FATF Plenary, 20-22 February 2013" includes the following:

STATEMENT ON TURKEY

In October 2012, the Financial Action Task Force (FATF), the international standard-setter for combating money laundering, the financing of terrorism and proliferation of weapons of mass destruction, released a statement conveying its deep concerns about Turkey's continued failure to take action to fully criminalise terrorist financing and establish an adequate legal framework for identifying and freezing terrorist assets consistent with the FATF Recommendations. The statement indicated that Turkey's membership in the FATF would be suspended on 22 February 2013 unless Turkey had adopted legislation to remedy deficiencies in its terrorist financing offence and establishes a legal framework for identifying and freezing terrorist assets consistent with the FATF Recommendations before that date.

On 7 February 2013, the Turkish Grand National Assembly adopted the *Law on the Prevention of the Financing of Terrorism*, which was signed into law on 15 February 2013. The new law addresses many of the shortcomings identified in Turkey's terrorist financing offence and creates the legal basis for the freezing of terrorist assets. The FATF welcomes this significant step made by Turkey, which improves the country's compliance with the international standards. As a consequence, the FATF has decided not to suspend Turkey's membership.

In spite of this positive step, there still remain a number of ongoing shortcomings in the Turkish counter-terrorist financing regime. Turkey must address these shortcomings in order to reach a satisfactory level of compliance with the FATF standards. Turkey has committed to addressing these deficiencies and will submit, prior to the next FATF meeting, in June 2013, a report on how these deficiencies are being addressed.[9]

FinCEN Guidance

[9] See "Outcomes of the FATF Plenary, 20-22 February 2013," at http://www.fatf-gafi.org/topics/fatfgeneral/documents/outcomesofthefatfplenary20-22february2013.html.

A. Jurisdictions in the above FATF Statement Section 1 are subject to the FATF's call for countermeasures. Currently, **Iran and the DPRK** are the only jurisdictions within Section 1. U.S. financial institutions should continue to consult existing FinCEN and Treasury guidance on engaging in financial transactions with Iran[10] and the DPRK.[11]

B. Jurisdictions in FATF Statement Section 2 have strategic AML/CFT deficiencies and have not made sufficient progress in addressing the deficiencies. Based on the FATF's adoption of the ICRG's findings, a decision by the FATF in which the United States concurs, FinCEN is advising U.S. financial institutions of their increased obligations under Section 312 of the USA PATRIOT ACT, 31 USC § 5318(i). Accordingly, U.S. financial institutions should apply enhanced due diligence, as described under

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[10] U.S. financial institutions are subject to a broad range of restrictions and prohibitions with respect to Iran due to a number of illicit financing risks, including money laundering, terrorist financing, and WMD proliferation financing. Previous FinCEN guidance on the threat involving illicit Iranian activity remains in effect. This includes FIN-2010-A010, at http://www.fincen.gov/statutes_regs/guidance/html/FIN-2010-A010.html; FIN-2010-A008, at http://www.fincen.gov/statutes_regs/guidance/html/fin-2010-a008.html; FIN-2010-A002, at http://www.fincen.gov/statutes_regs/guidance/pdf/fin-2010-a002.pdf; FIN-2009-A007, at http://www.fincen.gov/statutes_regs/guidance/html/fin-2009-a007.html; FIN-2008-A002, at www.fincen.gov/statutes_regs/guidance/pdf/fin-2008-a002.pdf; and FIN-2007-A001, at http://www.fincen.gov/statutes_regs/guidance/pdf/guidance_fi_increasing_mlt_iranian.pdf. Further, financial institutions are reminded of the existing U.S. sanctions that are administered by the Department of the Treasury's Office of Foreign Assets Control (OFAC) with respect to Iran and the Government of Iran, including but not limited to Iranian Government-owned banks and other entities, as well as Iranian entities that have been linked to terrorist activity and the proliferation of weapons of mass destruction. Information about these sanctions is available on OFAC's website http://www.treasury.gov/offices/enforcement/ofac/. In addition, financial institutions should be familiar with the financial provisions and prohibitions contained in United Nations Security Council (UNSC) Resolutions 1929 (June 2010), at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/1929.pdf; 1803 (March 2008), at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/1803.pdf; 1747 (March 2007), at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/1747.pdf); and 1737 (December 2006), at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/1737.pdf. In particular, UNSC Resolutions 1929 and 1803 call on all states to exercise vigilance over activities of financial institutions in their territories with all banks domiciled in Iran and their branches and subsidiaries abroad. Also, the FATF has issued three sets of guidance, to assist States in implementing their financial obligations pursuant to UNSC Resolutions 1737, at http://www.fatf-gafi.org/media/fatf/documents/recommendations/FATF%20Guidance%20regarding%20the%20implementation%20of%20activity-based%20financial%20prohibitions%20of%20UNSC%201737%202012%20COVER.pdf ; 1747, at http://www.fatf-gafi.org/media/fatf/documents/recommendations/FATF%20Guidance%20regarding%20the%20implementation%20of%20fin%20provisions%20of%20UNSCR%20WMD%202012%20COVER.pdf ; and 1803, at http://www.fatf-gafi.org/media/fatf/documents/recommendations/Guidance%20Paper%20on%20UNSCR%201803%202012%20COVER.pdf, to address proliferation finance risks associated with Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems; and on November 21, 2011, Treasury identified Iran as a jurisdiction of "primary money laundering concern" under Section 311 of the USA PATRIOT Act. In issuing this Finding, Treasury has for the first time identified the entire Iranian financial sector; including Iran's Central Bank, private Iranian banks, and branches, and subsidiaries of Iranian banks operating outside of Iran as posing illicit finance risks for the global financial system.

[11] Previous FinCEN guidance on the DPRK remains in effect. This includes FinCEN Advisory – Issue 40, at http://www.fincen.gov/statutes_regs/guidance/pdf/advisory.pdf and FIN-2009-A002 at, http://www.fincen.gov/statutes_regs/guidance/html/fin-2009-a002.html.

implementing regulations 31 CFR § 1010.610(b) and (c) when maintaining correspondent accounts for foreign banks operating under a banking license issued by **Ecuador, Ethiopia, Indonesia, Kenya, Myanmar, Nigeria, Pakistan, São Tomé and Príncipe, Syria,**[12] **Tanzania, Turkey, Vietnam, and Yemen.**

Enhanced due diligence is required for any correspondent account maintained for a foreign bank that operates under a banking license issued by a foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization of which the United States is a member and with which designation the U.S. representative to the group or organization concurs.[13]

As required under 31 CFR § 1010.610(b), covered financial institutions should ensure that their enhanced due diligence programs, which address correspondent accounts established, maintained, administered, or managed in the United States for a foreign bank, include, at a minimum, steps to: conduct enhanced scrutiny of such correspondent account to guard against money laundering and to identify and report any suspicious transactions, in accordance with applicable law and regulation;[14] determine whether the foreign bank for which the correspondent account is established or maintained in turn maintains correspondent accounts for other foreign banks that use the foreign correspondent account established or maintained by the covered financial institution and, if so, take reasonable steps to obtain information relevant to assess and mitigate money laundering risks associated with the foreign bank's correspondent accounts for other foreign banks, including, as appropriate, the identity of those foreign banks;[15] and determine, for any correspondent account established or maintained for a foreign bank whose shares are not publicly traded, the identity of each owner of the foreign bank and the nature and extent of each owner's ownership interest.[16]

Additionally, as required under 31 CFR §§ 1020.320, 1021.320, 1022.320, 1023.320, 1024.320, 31 CFR § 1025.320, and 31 CFR § 1026.320, if a financial institution knows, suspects, or has reason to suspect that a transaction involves funds derived from illegal activity or that a customer has otherwise engaged in activities indicative of money laundering, terrorist financing, or other violation of federal law or regulation, the financial institution shall then file a Suspicious Activity Report.

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[12] Previous FinCEN guidance on Syria remains in effect. This includes -FIN-2013-A002, at http://www.fincen.gov/statutes_regs/guidance/pdf/FIN-2013-A002.pdf and FIN-2011-A010, at http://www.fincen.gov/statutes_regs/guidance/pdf/FIN-2011-A010.pdf. Also, FinCEN's guidance on the Commercial Bank of Syria remains in effect; see FIN-2011-A013, at http://www.fincen.gov/statutes_regs/guidance/html/FIN-2011-A013.html.

[13] In addition, enhanced due diligence is required for any correspondent account maintained for a foreign bank that operates under: an offshore banking license; or a banking license issued by a foreign country that has been designated by the Secretary as warranting special measures due to money laundering concerns. See 31 CFR § 1010.610(c).

[14] See 31 CFR § 1010.610(b)(1).

[15] See 31 CFR § 1010.610(b)(2).

[16] See 31 CFR § 1010.610(b)(3).