



The Republic of the Union of Myanmar
The Anti-Money Laundering Central Body

Order No. 8 / 2019

8th Waxing of Nattaw, 1381 ME

(December 4, 2019)

To follow the directives in relation with High-risk and other monitored jurisdictions

1. In section 7(e) of Anti Money Laundering Law, it is prescribed that the Central Body shall issuing directives prescribing in order to be followed by the reporting organizations the customer due diligence process and enhancing customer due diligence process in the case of the risk was identified as being high.

2. It is to take measure for non-compliance and insufficiently comply jurisdiction according to recommendation 19 of the FATF's 40 recommendations which have published on 16th February 2012 as follow;

(a) Reporting Organizations including financial institutions and relevant government organizations should be required to apply enhanced due diligence measures to business relationships and transactions with natural and legal persons, and financial institutions, from countries for which this is High-risk and other monitored jurisdictions or called for by the FATF to measure according to the Recommendation 19. The type of enhanced due diligence measures applied should be effective and proportionate to the risks. Countries should be able to apply appropriate countermeasures when called upon to do so by the FATF. Countries should also be able to apply countermeasures independently of any call by the FATF to do so. Such countermeasures should be effective and proportionate to the risks.

(b) Competent Authorities and Reporting Organizations should have measures in place to ensure the laydown to preventive measures and implementing including risk assessment, mitigate the risk, allocate the resources that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries described above paragraph (a).

3. The countermeasures described above High-risk and other monitored jurisdictions or called for by the FATF that could be undertaken by countries include the following, and any other measures that have a similar effect in mitigating risks:

(a) Enhance Customer Due Diligence as follow;

- (1) Obtaining additional information on the customer (e.g. occupation, volume of assets, information available through public databases, internet, etc.), and updating more regularly the identification data of customer and beneficial owner.
 - (2) Obtaining additional information on the intended nature of the business relationship.
 - (3) Obtaining information on the source of funds or source of wealth of the customer.
 - (4) Obtaining information on the reasons for intended or performed transactions.
 - (5) Obtaining the approval of senior management to commence or continue the business relationship.
 - (6) Conducting enhanced monitoring of the business relationship, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.
 - (7) Requiring the first payment to be carried out through an account in the customer's name with a bank subject to similar CDD standards.
- (b) Introducing enhanced relevant reporting mechanisms or systematic reporting of financial transactions.
 - (c) Refusing the establishment of subsidiaries or branches or representative offices of financial institutions from the country concerned, or otherwise taking into account the fact that the relevant financial institution is from a country that does not have adequate AML/CFT systems.
 - (d) Prohibiting financial institutions from establishing branches or representative offices in the country concerned, or otherwise taking into account the fact that the relevant branch or representative office would be in a country that does not have adequate AML/CFT systems.
 - (e) Limiting business relationships or financial transactions with the identified country or persons in that country.
 - (f) Prohibiting financial institutions from relying on third parties located in the country concerned to conduct elements of the CDD process.

- (g) Requiring financial institutions to review and amend, or if necessary terminate, correspondent relationships with financial institutions in the country concerned.
- (h) Requiring increased supervisory examination and/or external audit requirements for branches and subsidiaries of financial institutions based in the country concerned.
- (i) Requiring increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in the country concerned.

4. The lists of High-risk and other monitored jurisdictions have being released three times per year by the Financial Action Task Force and launched at its website [https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc\(fatf_releasedate\)](https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc(fatf_releasedate)).

5. It is directed that shall apply enhanced due diligence measures pursuant to above paragraph (2) and (3) and Anti Money Laundering Law and Rules, domestic Law and Rules, instructions, orders and internal procedures and international norms and standards when made business relationships and transactions with natural and legal persons, and financial institutions from High-risk and other monitored jurisdictions or called for by the FATF and called upon to do so by the FATF.

Chairman

Anti-Money Laundering Central Body

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Circulation to;

All Competent Authorities (distribute to all reporting organizations and necessary action taken and implementations.)

Copy to;

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Union Cabinet Office

Ministry of Planning, Finance and Industry

Central Bank of Myanmar

Financial Intelligence Unit- to publish the webpage

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Interdepartmental Circular Letter