



**Circular to Money Service Operators
Anti-Money Laundering / Counter-Terrorist Financing
Statements issued by the Financial Action Task Force**

(1) FATF Statement on High-Risk Jurisdictions subject to a Call for Action

Further to our circular issued on 30 June 2025^{Note 1}, this is to inform you that the Financial Action Task Force (“FATF”) issued a statement on High-Risk Jurisdictions subject to a Call for Action on 24 October 2025, which can be found at:

<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-october-2025.html>

For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and, in the most serious cases, apply countermeasures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing risks emanating from those countries.

(i) Jurisdictions subject to a FATF call for applying countermeasures

Democratic People's Republic of Korea (DPRK)

The FATF reiterates its concerns over the DPRK’s continued failure to address the significant deficiencies in its anti-money laundering and counter-financing of terrorism (AML/CFT) regime and the serious threats posed by the DPRK’s illicit activities related to the proliferation of weapons of mass destruction and its financing.

While the FATF has continually reiterated since 2011 the need for all countries to robustly implement the targeted financial sanctions in accordance with United Nations Security Council Resolutions (UNSCR) and apply countermeasures^{Note 2} to protect their financial systems from the ML/TF/PF threat emanating from DPRK, DPRK has increased connectivity with the international financial system which raises proliferation financing risks^{Note 3}. The FATF therefore calls for greater vigilance and renewed implementation and enforcement of countermeasures against the DPRK.

Iran

While Iran provided an update to the FATF on its ratification of the United Nations Convention against Transnational Organized Crime (“Palermo”) in September 2025, the FATF’s assessment considered that Iran’s domestic compliance with Palermo was not in line with the FATF standards and Iran has failed to address the majority of its action plan since 2016.

The FATF will remain concerned with the terrorist financing threats emanating from Iran, and reminds all jurisdictions of their obligations under the FATF standards to address the risks

Note 1 The circular issued on 30 June 2025 can be found on the C&ED’s website at (<https://eservices.customs.gov.hk/MSOS/downloadFile?id=459878>)

Note 2 The countermeasures listed by the FATF include terminating correspondent relationships with DPRK banks, closing any subsidiaries or branches of DPRK banks in their countries, and limiting business relationships and financial transactions with DPRK persons

Note 3 The FATF highlighted that as set out in UNSCR 2270, DPRK frequently uses front companies, shell companies, joint ventures and complex, opaque ownership structures for the purpose of violating sanctions



emanating from Iran. The FATF reiterates its call on its members and urges all jurisdictions to apply effective countermeasures^{Note 4} on Iran.

(ii) Jurisdiction subject to a FATF call for applying enhanced due diligence measures proportionate to the risks arising from the jurisdiction

Myanmar

Given the continued lack of progress and the majority of the action items in relation to Myanmar's strategic deficiencies still not addressed after a year beyond the action plan deadline, the FATF has called on its members and other jurisdictions to apply enhanced due diligence measures^{Note 5} proportionate to the risk arising from Myanmar since October 2022. If no further progress is made by February 2026, the FATF will consider countermeasures.

(2) FATF Statement on Jurisdictions under Increased Monitoring

In addition, the FATF has issued an updated statement on Jurisdictions under Increased Monitoring^{Note 6} which can be found at:

<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-october-2025.html>

Money service operators ("MSOs") are reminded that four jurisdictions were removed from the list, namely Burkina Faso, Mozambique, Nigeria and South Africa.

The statement sets out the list of jurisdictions that have committed to resolve swiftly strategic deficiencies in their regime to counter money laundering, terrorist financing, and proliferation financing within agreed timeframes and are subject to increased monitoring. The FATF will closely monitor the progress made by these jurisdictions in addressing the identified strategic deficiencies and encourages its members to take into account the information presented in the statement in their risk analysis. MSOs are reminded to browse the website of the FATF for the latest information, including any updated statements issued by the FATF from time to time.

(3) Outcomes from the FATF Plenary from 22 to 24 October 2025

In addition to the statements in (1) and (2) above, the FATF also published various outcomes of its recent Plenary, which can be found at:

<https://www.fatf-gafi.org/en/publications/Fatfgeneral/outcomes-FATF-plenary-october-2025.html>

Should you have any queries regarding the contents of this circular, please contact us on 3742 7742.

Money Service Supervision Bureau

Customs and Excise Department

End

Note 4 The examples of the countermeasures can be found in the Interpretative Note to Recommendation 19 (<https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf#page=92>)

Note 5 The FATF requires that as part of enhanced due diligence, financial institutions should increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear unusual or suspicious

Note 6 The statement sets out the list of jurisdictions that have committed to resolve swiftly the identified strategic deficiencies in their regimes to counter ML/TF/PF within agreed timeframes and are subject to increased monitoring