

FATF Grey List Updates

Please note the critical updates regarding high-risk jurisdictions specifically those identified under FATF's "Grey List" (Increased Monitoring) and "Call for Action" (Blacklist) classifications.

These updates bring essential compliance obligations for financial institutions (FIs), designated non-financial businesses and professions (DNFBPs), virtual asset service providers (VASPs) and non-profit organizations (NPOs).

1. Updates on Jurisdictions Under Increased Monitoring (FATF Grey List):

New Additions: Bosnia-Herzegovina and Iraq added to the Grey list

Removal: Algeria and Namibia removed from Grey List.

Current FATF Grey List Countries:

Angola, Bolivia, Bosnia-Herzegovina, Bulgaria, Cameroon, Côte d'Ivoire, DRC, Haiti, Iraq, Kenya, Kuwait, Lao PDR, Lebanon, Monaco, Nepal, Papua New Guinea, South Sudan, Syria, Venezuela, Vietnam, Virgin Islands (UK) and Yemen

2. Jurisdictions Subject to FATF “Call for Action” (Blacklist):

High-Risk Jurisdictions: Democratic People’s Republic of Korea, Iran and Myanmar.

Required Measures: Entities should exercise the highest level of due diligence and countermeasures for transactions involving these blacklisted jurisdictions including prohibitions on establishing branches or engaging third parties from these regions

3. Compliance Obligations and Countermeasures:

Enhanced Due Diligence: For jurisdictions under increased monitoring, entities must implement elevated due diligence and CDD measures proportionate to the identified risks.

Monitoring and Reporting: FIs, DNFBPs, VASPs and NPOs are required to regularly verify updates to both Grey and Black-Lists on the Committee’s website ensuring updated internal controls and reporting suspicious activities to the FIU via GoAML.

Third-Party Reliance Prohibition: Entities must avoid third-party reliance on institutions within high-risk (blacklisted) jurisdictions to perform due diligence activities.

Legal Compliance: Non-compliance with these measures will result in legal action with penalties applied to institutions, directors and senior management as per UAE regulations.