



10 July 2024

Circular Number 13 of 2024

To: Insurance Companies
Brokers
Reinsurers
Pension Funds
Pensions Fund Administrators

Cc: Life Offices Association (LOA)
Insurance Council of Zimbabwe (ICZ)
Zimbabwe Association of Reinsurance Organisations (ZARO)
Zimbabwe Association of Pension Funds (ZAPF)
Zimbabwe Association of Funeral Assurers (ZAFA)
Insurance Brokers Association of Zimbabwe (IBAZ)

FINANCIAL INTELLIGENCE UNIT DIRECTIVE ON HIGH-RISK JURISDICTIONS AND COUNTRIES UNDER INCREASED MONITORING FOR TERRORIST FINANCING AND PROLIFERATION FINANCING OF WEAPONS OF MASS DESTRUCTION

1. Please be advised that the Financial Intelligence Unit (FIU) has issued AML/CFT/CPF Directive No. PFIU8/07/2024 to all Financial Institutions and Designated Non-Financial Businesses and Professions, on **High-risk jurisdictions and countries under increased monitoring for terrorist financing and proliferation financing of weapons of mass destruction** appended to this Circular.
2. All insurance and pensions industry players are therefore required to apply relevant measures commensurate with the prevailing risk towards business relationships and transactions with persons from the jurisdictions listed.
3. Kindly acknowledge receipt of this Directive to the Commission at aml@ipec.co.zw no later than 12 July 2024.

Yours sincerely

Grace Muradzikwa

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS

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8 July 2024

To: Financial Institutions and Designated Non-Financial Businesses & Professions

Issued in terms of Section 26A of The Money Laundering and Proceeds of Crime Act (Chapter 9:24)

High Risk Jurisdictions and Countries Under Increased Monitoring for Terrorist Financing and Proliferation Financing of Weapons of Mass Destruction

The Financial Action Task Force (FATF) from time to time publishes lists of jurisdictions with high risk of money laundering, terrorist financing and proliferation financing of weapons of mass destruction and those countries that require increased monitoring for having strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing.

FATF requires financial institutions (FIs) and designated financial business and professions (DNFBPs) to apply different measures to business relationships and transactions with customers from countries on the different lists, in line with the money laundering, terrorist financing and proliferation financing (ML/TF/PF) risks that they are exposed to. This is meant to protect the international financial system from ongoing money laundering, terrorist financing, proliferation financing risks.

(i) Jurisdictions under increased monitoring (grey list):

Jurisdictions under increased monitoring are jurisdictions with strategic AML/CFT deficiencies and are actively working with the FATF to address these deficiencies in their regimes to counter money laundering, terrorist

financing, and proliferation financing. For jurisdiction under the grey list, FIs and DNFBPs are called upon to apply a risk-based approach when dealing with customers from such countries. Application of enhanced due diligence measures and de-risking or cutting-off the entire class of customers from grey listed jurisdictions is not mandatory, instead, financial institutions should consider the risk emanating from such relationships and put in place measures commensurate to the risk identified.¹

The following are some measures that FIs and DNFBPs may apply when dealing with jurisdictions under the grey list:

- a) Updating institutional risk assessments to suite country risk profiles.
- b) Application of on-going due diligence requirements for businesses, when conducting transactions with grey listed jurisdictions;
- c) Identifying existing customers with ties to grey listed jurisdictions including requesting for declaration of source of funds and/or wealth of the customer, as well as associated parties, including analysing incoming and outgoing funds from such jurisdictions;
- d) Implementing an effective adverse media screening solution to detect stories that involve high risk customers from grey listed countries;
- e) Consider reviewing any contracts with parties from grey listed jurisdictions to ensure that they include appropriate AML/CFT clauses, such as warranties and representations regarding compliance with AML/CFT laws;
- f) Putting businesses with connections to grey listed jurisdictions under more regulatory scrutiny, as regulators may expect them to implement more stringent AML/CFT compliance measures to mitigate the risks associated with grey listing.

(ii) High-risk jurisdictions subject to a call for action (black list):

Countries that are identified by FATF as high-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation and have failed to address these deficiencies within specified timelines. For all countries identified as high-risk (blacklisted), FATF calls on all member countries and

¹ <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-june2024.html>

their FIs and DNFBPs to apply enhanced due diligence, and, in more serious cases, apply countermeasures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from such jurisdictions.²

Some of the counter measures to deal with blacklisted jurisdictions that FIs and DNFBPs may apply include the following:

- a) give special attention to business relationships and transactions with blacklist jurisdictions;
- b) If necessary, close existing branches, subsidiaries and representative offices in blacklist countries and terminate correspondent relationships;
- c) require increased supervisory examination for branches and subsidiaries of financial institutions based in black listed jurisdictions;
- d) introduce enhanced relevant reporting mechanisms or systematic reporting of financial transactions;
- e) require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located within a country on the black list;
- f) undertake more enhanced monitoring by closely monitoring 'red flag' indicators of any criminal activity.

In all scenarios, the type of measures and countermeasures to be applied should be effective and proportionate to the risks. Tabulated below is the list of FATF grey and blacklisted countries as of 28 June 2024.

List of grey and black listed countries as of 28 June 2024

Jurisdictions under increased monitoring (grey list)			
1	Bulgaria	12	Nigeria
2	Burkina Faso	13	Phillipines
3	Cameroon	14	Senegal
4	Croatia	15	South Africa
5	Democratic Republic of Congo	16	South Sudan
6	Haiti	17	Syria
7	Kenya	18	Tanzania
8	Mali	19	Venezuela
9	Monaco	20	Vietnam

² <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-June-2024.html>

10	Mozambique	21	Yemen
11	Namibia		
High-risk jurisdictions subject to a call for action (blacklist)			
1	Democratic People's Republic of Korea (DPRK)		
2	Iran		
3	Myanmar		

In line with the provisions of section 26A of the Money Laundering and Proceeds of Crime Act, financial institutions and designated non-financial businesses and professions are required to apply relevant measures, as discussed, commensurate with the prevailing risk towards business relationships and transactions with persons from the listed jurisdictions above.

FIs and DNFBPs should note that the lists are subject to change, therefore institutions are required to conduct ongoing proactive research on the grey and black lists, which are published on the FATF website (<https://www.fatf-gafi.org/en/home.html>).

Please be guided accordingly.



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 Director General
 Financial Intelligence Unit

FINANCIAL INTELLIGENCE UNIT
 DIRECTOR-GENERAL
 08 JUL 2024
 REPUBLIC OF ZIMBABWE