UPDATED NOTIFICATION OF HIGH-RISK JURISDICTION AS ISSUED BY THE FINANCIAL ACTION TASK FORCE (FATF)

Published Date: 10th November 2025.

Summary

The Capital Markets Authority (CMA) is issuing this notice to all licensees under the Securities Sector regarding the updated list of high-risk jurisdictions issued by the Financial Action Task Force (FATF) as of **24 October 2025**. This is to fulfill the obligations as stated in Recommendation 19 of the International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation.

Questions concerning this notice should be directed to: The Market Supervision Department on email; marketsupervision@cmauganda.co.ug;

Background

"Money-Laundering" means the process of turning illegitimately obtained property into seemingly legitimate property and it includes concealing or disguising the nature, source, location, disposition or movement of the proceeds of crime and any activity which constitutes a crime under Section 119 of the Anti-Money Laundering Act, Cap 118.

Pursuant to Section 5(2)(u) of the Capital Markets Authority Act, Cap 64, the Authority acts as the supervisory body for anti-money laundering and combating the financing of terrorism within the capital markets sector, and performs the functions conferred on it as an accountable person under the Anti-Money Laundering Act, Cap 118.

Regulation 44 of the Anti-Money Laundering Regulations, 2015 states that the Financial Intelligence Authority (FIA) is the responsible party to provide notification on countries, and prescribe measures to be undertaken by accountable persons in respect of the flagged countries.

In addition, Section 24 (1) of the Anti-Money Laundering Act, Cap 118 stipulates that the enforcement of compliance with the provisions of the Act by an accountable person is the responsibility of the supervisory body (in this case, The Capital Markets Authority) of the accountable person.

Following its Plenary meeting that ended on 24th October, 2025, the Financial Action Task Force (FATF)) has issued a public statement updating its lists of jurisdictions with strategic AML/ CFT/ CPF deficiencies. It stated that *"The FATF provides some flexibility to jurisdictions not facing immediate deadlines to report progress on a voluntary basis. The following countries* *had their progress reviewed by the FATF since June 2025: Algeria, Angola, Bulgaria; Burkina Faso, Cameroon, Côte d'Ivoire, Democratic Republic of the Congo, Kenya, Lao PDR, Monaco, Mozambique, Namibia; Nepal, Nigeria, South Africa, South Sudan, Syria, Venezuela and Vietnam. For these countries, updated statements are provided below. Bolivia, Haiti, Lebanon, the Virgin Islands (UK) and Yemen chose to defer reporting; thus, the statements issued previously for those jurisdictions are included below, but it may not necessarily reflect the most recent status of the jurisdictions' AML/CFT regimes."*

Recommendation 19 of the International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation requires Financial institutions to apply enhanced due diligence, proportionate to the risks, to business relationships and transactions with natural and legal persons (including financial institutions) from countries for which this is called for by the FATF.

The purpose of this notice therefore is to inform you of the updated list of high-risk jurisdictions that has been issued by FATF and to request you, as an Accountable Person in the Securities Sector to apply Enhanced Due Diligence, proportionate to the risks, to business relationships and transactions with natural and legal persons (including financial institutions) from countries for which this is called for by the FATF.

The FATF statement includes the following;

I. Jurisdictions under increased monitoring (Grey listed).	Jurisdictions with strategic deficiencies include; Algeria. Angola, Bolivia, Bulgaria, Cameroon, Côte d'Ivoire, Democratic Republic of Congo, Haiti, Kenya, Lao People's Democratic Republic (Lao PDR), Lebanon, Monaco, Namibia, Nepal, South Sudan, Syria, Venezuela, Vietnam, Virgin Islands (UK) and Yemen. All these countries are under increased monitoring and the details for each can be accessed on; https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-october-2025.html
II. Jurisdictions No Longer Subject to Increased Monitoring by the FATF as of October 2025	These are; 1) Burkina Faso 2) Mozambique 3) Nigeria 4) South Africa
III. Jurisdictions subject to a call for	High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply

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<td>action as of October 2025</td>
<td>enhanced due diligence, and, in the most serious cases, countries are called upon to apply countermeasures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks emanating from the country. The countries are; Democratic People's Republic of Korea (DPRK), Iran, and Myanmar</td>
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<td>As an Accountable Person within the securities sector, what actions should you carry out?</td>
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<tr><th>EDD Element</th><th>Key Obligation</th><th>Purpose/Outcome</th></tr>
<tr><td>Enhanced CDD</td><td>Collect and verify additional information (e.g. the source of funds, beneficial ownership, purpose of relationship) etc.</td><td>To gain deeper insight into the client and the legitimacy of their activities.</td></tr>
<tr><td>Senior Management Approval</td><td>Obtain written approval before onboarding or maintaining high-risk clients.</td><td>Ensures risk decisions are reviewed and endorsed at a higher level.</td></tr>
<tr><td>Ongoing Monitoring</td><td>Intensify scrutiny of transactions and account behaviour.</td><td>Detect and address suspicious or inconsistent activity early.</td></tr>
<tr><td>Special Vigilance</td><td>Pay extra attention to clients/transactions from non-compliant or weak jurisdictions.</td><td>Prevent exposure to international ML/TF/PF risks.</td></tr>
<tr><td>Inability to Comply</td><td>Refuse, terminate, or exit relationships where due diligence cannot be completed; file STRs.</td><td>Demonstrates zero-tolerance for unverifiable or high-risk clients.</td></tr>
<tr><td colspan="3">Report any suspicious transactions or activities to the Financial Intelligence Authority (FIA) as required by the Anti-Money Laundering Act, Cap 118 and the regulations thereunder.</td></tr>
<tr><td colspan="3">Apply countermeasures for the most serious cases as advised by the FATF, particularly for transactions involving countries like DPRK, Iran, and Myanmar. For example, temporarily suspend certain services such as securities investments or trading until additional verification is completed, refuse to process any form of remittance to these countries, enhance client verification through face-to-face verifications, refuse opening up accounts or having business relationships with clients from these countries etc.</td></tr>
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Capital Markets Authority
Kampala, Uganda.
November, 2025.