

NOTIFICATION OF THE UPDATED LIST OF HIGH-RISK JURISDICTIONS THAT HAS BEEN ISSUED BY FINANCIAL ACTION TASK FORCE AT ITS PLENARY MEETING THAT ENDED ON 4TH MARCH, 2022.

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Summary

The Capital Markets Authority (CMA) is issuing this notice to all licensees under the Securities Sector regarding the list of high risk jurisdictions that were issued by FATF. This is done in order to fulfil 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 116 of the Anti-Money Laundering Act, 2013.

Pursuant to Sec 5 (2)(u) of the CMA Act, Cap 84, For the purpose of carrying out its objects, the Authority may exercise, perform and discharge all or any of the following powers, duties and functions act as the supervisory authority for anti-money laundering and combating of financing of terrorism in the capital markets and perform the functions conferred on the Authority, as an accountable person, under the Anti-Money Laundering Act, 2013.

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 21A (1) of the Anti-Money Laundering Act, 2013 (as amended) 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 4th March, 2022, the Financial Action Task Force (FATF) has issued a public statement updating its lists of jurisdictions with strategic AML/ CFT/ CPF deficiencies.

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;

<p>I. Jurisdictions under increased monitoring</p>	<p>Jurisdictions with strategic deficiencies include;</p> <p>Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Haiti, Jamaica, Jordan, Mali, Malta, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, South Sudan, Syria, Turkey, Uganda, United Arab Emirates and Yemen.</p> <p>Jurisdictions no longer subject to increased monitoring include: Zimbabwe.</p> <p>Details for each jurisdiction status can be accessed on; https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-march-2022.html</p>
<p>II. Jurisdictions subject to a call for action March 2022</p>	<p>These are;</p> <p>Democratic People's Republic of Korea (DPRK) and Iran.</p> <p>Details for each jurisdiction status can be accessed on; https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-march-2022.html</p>

END

Capital Markets Authority
Kampala, Uganda.
April 2022