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

Published Date: 20th February 2026.

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 **13th February 2026**. 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 7(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 13th February, 2026, the Financial Action Task Force (FATF)) has issued a public statement updating its lists of jurisdictions with strategic AML/ CFT/ CPF deficiencies. Jurisdictions under increased monitoring are actively working with the FATF to address the strategic deficiencies in their regimes to counter money laundering, terrorist financing and proliferation financing. A number of jurisdictions were listed as subject to increased monitoring, namely; Algeria, Angola, Bolivia, Bulgaria, Cameroon, Côte d'Ivoire, Democratic Republic of the Congo, Haiti, Kenya, Lao PDR, Lebanon, Monaco, Namibia, Nepal, South Sudan, Syria, Venezuela, Vietnam, the Virgin Islands (UK) and Yemen. Please note that at this plenary, the FATF added **Kuwait** and **Papua New Guinea**

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;

<table>
<tr><td>I. Jurisdictions under increased monitoring (Grey listed).</td><td>Jurisdictions with strategic deficiencies include; Algeria, Angola, Bolivia, Bulgaria, Cameroon, Côte d’Ivoire, Democratic Republic of the Congo, Haiti, Kenya, Lao PDR, Lebanon, Monaco, Namibia, Nepal, South Sudan, Syria, Venezuela, Vietnam, the Virgin Islands (UK), Yemen, Kuwait and Papua New Guinea.

All these countries are under increased monitoring and the details for each can be accessed on;

https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored jurisdictions/increased-monitoring-february-2026</td></tr>
<tr><td>II. Jurisdictions subject to a call for action</td><td>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 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></tr>
<tr><td>As an Accountable Person within the securities sector, what actions should you carry out?</td><td>
<table>
<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</td><td>Ensures risk decisions are reviewed and</td></tr>
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		maintaining high-risk clients	endorsed at a higher level
	On going monitoring	Intensify scrutiny of transactions and account behaviour	Detect and address suspicious or inconsistent activity early
	Special Vigilance	Pay extra attention to clients/transactions from non-compliant or weak jurisdictions.	Prevent exposure to international ML/TF/PF risks.
	Inability to Comply	Refuse, terminate, or exit relationships where due diligence cannot be completed; file STRs	Demonstrates zero-tolerance for unverifiable or high-risk clients.
	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.		
	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		

END
Capital Markets Authority Kampala, Uganda.
February, 2026