



19 March 2025

To: All Financial Institutions, Designated Non-Financial Businesses or Professions and AML/CFT/CPF Supervisors

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 deficiencies in their Anti Money Laundering, Combating Financing of Terrorism and Combating Financing of Proliferation of Weapons of Mass Destruction (AML/CFT/CPF)

The Financial Action Task Force (FATF) at its February 2025 plenary meeting, updated the lists of jurisdictions that have strategic deficiencies in their Anti Money Laundering and Counter Financing of Terrorism and Counter Proliferation Financing (AML/CFT/CPF) frameworks that present a risk to the global financial system. The FATF issues and regularly updates two lists of non-compliant countries, namely:

a) *Jurisdictions Under Increased Monitoring (“grey list”)*

This is a list of countries that have **strategic deficiencies** in their AML/CFT/CPF regimes and are actively working with the FATF to address these deficiencies. For jurisdictions under this list, financial institutions and designated non-financial businesses or professions (DNFBPs) from other countries, including Zimbabwe, are called upon to apply a risk-based approach to customers from, and business relationships connected to the listed 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. Financial Institutions and DNFBPs should, instead consider the risks

emanating from such relationships and put in place measures commensurate to the risks identified.

Financial institutions and DNFBPs are required to take into account and manage the specific money laundering, terrorism financing and proliferation financing risks emanating from each grey-listed country. On the basis of the risk-based approach, financial institutions, DNFBPs and AML/CFT/CPF supervisors may apply one or more of the following measures, where necessary, when dealing with customers and business relationships involving countries on the grey list:

- a) Updating institutional risk assessments to suit 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 countries to ensure that they include appropriate AML/CFT/CPF clauses, such as warranties and representations regarding compliance with AML/CFT/CPF laws;
- f) Putting businesses with connections to grey listed jurisdictions under more regulatory scrutiny, including requiring them to implement more stringent AML/CFT/CPF compliance measures to mitigate the risks associated with grey listing.

b) High Risk Jurisdictions subject to a Call for Action ("black list")

These are countries with *significant strategic deficiencies* in their AML/CFT/CPF regimes and are subject to a Call for Action. When dealing with customers from and business relationships connected with the black-listed countries, Financial institutions and DNFBPs are required to apply enhanced due diligence, and, in more serious cases as guided by the FATF, apply countermeasures, to protect the international financial system from the

money laundering, terrorist financing, and proliferation financing risks emanating from such countries.

At the end of its February 2025 Plenary, the FATF listed three countries under this category, namely Iran, Democratic People's Republic of Korea (DPRK) and Myanmar.

Financial institutions and DNFBPs are required to apply **enhanced due diligence** and **countermeasures** in respect of Iran and DPRK. In respect of Myanmar, financial institutions and DNFBPs are required to apply enhanced due diligence but not **countermeasures**.

The countermeasures to be applied by financial institutions, DNFBPs or AML/CFT/CPF supervisors, as the case may be, include:

- a) give special attention to customers and business relationships connected to the blacklisted countries;
- b) if necessary, close existing branches, subsidiaries and representative offices in blacklisted countries and terminate correspondent relationships;
- c) require increased supervisory activities 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 for any criminal activity.

In all cases, the type of measures and countermeasures to be applied should be effective and proportionate to the risk.

Table 1: List of grey and black listed countries as of 21 February 2025

Jurisdictions under increased monitoring (grey list)			
1	Algeria	14	Monaco
2	Angola	15	Mozambique
3	Bulgaria	16	Namibia
4	Burkina Faso	17	Nepal
5	Cameroon	18	Nigeria
6	Côte d'Ivoire	19	South Africa
7	Croatia	20	South Sudan
8	Democratic Republic of Congo	21	Syria
9	Haiti	22	Tanzania
10	Kenya	23	Venezuela
11	Lao PDR	24	Vietnam
12	Lebanon	25	Yemen
13	Mali		
High-risk jurisdictions subject to a call for action (black list)			
1	DPRK (enhanced due diligence and countermeasures required)		
2	Iran (enhanced due diligence and countermeasures required)		
3	Myanmar		

The lists are subject to change, therefore financial institutions, DNFBPs and AML/CFT/CPF supervisors are required to conduct ongoing proactive research on the latest grey and black lists, which are published on the FATF website (<https://www.fatf-gafi.org/en/home.html>). The lists are updated at the end of each of the FATF's 3 plenaries in a year (February, June and October).

Please be guided accordingly.



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