All Non Banking Financial Companies / Residuary Non Banking Companies

Dear Sir,

Anti-Money Laundering (AML) / Combating of Financing of Terrorism (CFT) Standards

Please refer to Company Circular No 209 dated January 28, 2011 on Anti-Money Laundering (AML) Standards / Combating of Financing of Terrorism (CFT) giving details about risk arising from the deficiencies in AML / CFT regime of Iran, Angola, Democratic People’s Republic of Korea (DPRK), Ecuador, Ethiopia, Pakistan, Turkmenistan and Sao Tome and Principe.

2. Financial Action Task Force (FATF) has issued a further statement dated February 25, 2011 on the subject (copy enclosed), calling on its members and other jurisdictions to apply countermeasures to protect the international financial system from the ongoing and substantial money laundering and terrorist financing (ML/FT) risks emanating from Iran and Democratic People's Republic of Korea (DPRK).

3. All NBFCs (including RNBCs) are accordingly advised to take into account risks arising from the deficiencies in AML/CFT regime of these countries, while entering into business relationships and transactions with persons (including legal entities and other financial institutions) from or in these countries/jurisdictions.

Yours faithfully,

(Uma Subramaniam)
Chief General Manager-in-Charge
Encl: as above