

13th April 2010

To

All the Payment Systems Operators authorized under the Payment and Settlement Systems Act, 2007

Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards / Combating of Financing of Terrorism (CFT)

Please refer to our letter [DPSS.CO.AD.1320/02.27.005/2009-10](#) dated December 22, 2009.

2. Financial Action Task Force (FATF) has issued a further Statement on February 18, 2010 on the subject ([copy enclosed](#)). It may be observed that the instant FATF statement divides the strategic AML/CFT deficient jurisdictions into three groups as under:

- a. Jurisdictions subject to FATF call 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 the jurisdiction: **Iran**
- b. Jurisdictions with strategic AML/CFT deficiencies that have not committed to an action plan developed with the FATF to address key deficiencies as of February 2010. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction: **Angola, Democratic People's Republic of Korea (DPRK), Ecuador and Ethiopia.**
- c. Jurisdictions previously publicly identified by the FATF as having strategic AML/CFT deficiencies, which remain to be addressed as of February 2010: **Pakistan, Turkmenistan and Sao Tome and Principe.**

3. All payment system operators are accordingly advised to take into account risks arising from the deficiencies in AML/CFT regime of these countries. Payment System Operators should bring the contents of this circular to the notice of their constituents.

4 . Please acknowledge receipt of this circular letter.

Yours faithfully,

(G. Padmanabhan)
Chief General Manager