



राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

NHB(ND)/DRS/Misc.Circular - 1/2010
January 25, 2010

To All Registered Housing Finance Companies

Dear Sirs,

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

Please refer to our letter NHB(ND)/DRS/Pol.-26/1364/2009 dated February 20, 2009 on risk arising from the deficiencies in AML/CFT regime of Uzbekistan; Iran: Pakistan: Turkmenstan; Sao Tome and Principe and northern part of Cyprus.

Financial Action Task Force (FATF) has further issued the following Statements on the deficiencies in AML/CFT regime of Uzbekistan; Iran: Pakistan: Turkmenstan; Sao Tome and Principe:

- a) Statement dated June 26, 2009
- b) Statement dated October 16, 2009.

Housing Finance Companies are accordingly advised to take into account risks arising from the deficiencies in AML/CFT regime of Uzbekistan; Iran: Pakistan: Turkmenstan; Sao Tome and Principe. A copy each of the above statement is enclosed.

Kindly acknowledge receipt of the circular letter.

Yours faithfully,


(R.S. Garg)
General Manager
Department of Regulation & Supervision

Encl. as above.

भारतीय रिज़र्व बैंक के संपूर्ण स्वामित्व में
कोर-5-ए, तृतीय तल, इंडिया हैबिटेट सेंटर, लोधी रोड, नई दिल्ली-110003
दूरभाष न. पी. बी. एक्स - 464 9031-35 फ़ैक्स : 011-464 6988, 464 9041
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“बैंक हिंदी में पत्राचार का स्वागत करता है”

राआबैंक(नदि)/डीआरएस/विविध परिपत्र-1/2010
25 जनवरी, 2010



राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

सभी पंजीकृत आवास वित्त कंपनियों को

महोदय,

**अपने ग्राहक को पहचानिए मानदंड/काला धन रोधी मानक/
वित्तीय आंतकवाद (सीएफटी) से मुकाबला**

कृपया हमारे पत्र राआबैंक(नदि)/डीआरएस/नीति-26/1364/2009 दिनांक 20.2.2009 का संदर्भ लें जो उज्बेकिस्तान, ईरान, पाकिस्तान, तुर्कमेनिस्तान, सायो टाम और प्रिंसाइप तथा सार्डप्रस के उत्तरी भाग के शासन में एएमएल/सीएफटी में हुई कमियों से उत्पन्न जोखिम के बारे में है।

एफटीएफ ने उज्बेकिस्तान, ईरान, पाकिस्तान, तुर्कमेनिस्तान, सायो टाम और प्रिंसाइप के शासन काल में एएमएल/सीएफटी में हुई कमियों के बारे में निम्नलिखित स्टेटमेंट जारी किये हैं :

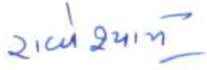
क) स्टेटमेंट दिनांक 26 जून, 2009

ख) स्टेटमेंट दिनांक 16 अक्टूबर, 2009

तदनुसार आवास वित्त कंपनियों को सूचित किया जाता है कि वे उज्बेकिस्तान, ईरान, पाकिस्तान, तुर्कमेनिस्तान, सायो टाम और प्रिंसाइप के शासन में एएमएल/सीएफटी में हुई कमियों से उत्पन्न जोखिम भार की ओर ध्यान दें। उपर्युक्त स्टेटमेंटों की प्रतिलिपियां संलग्न की जाती हैं।

कृपया परिपत्र की पावती भेजें।

भवदीय,



(आर.एस. गर्ग)

महाप्रबंधक

विनियमन एवं पर्यवेक्षण विभाग

संलग्न : यथोपरि

भारतीय रिज़र्व बैंक के संपूर्ण स्वामित्व में
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“बैंक हिंदी में पत्राचार का स्वागत करता है”

FATF Statement
26 June 2009

IRAN

The FATF remains concerned by Iran's failure to meaningfully address the ongoing and substantial deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime. The FATF remains particularly concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system. The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalising terrorist financing and effectively implementing suspicious transaction reporting (STR) requirements.

The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF reaffirms its 25 February 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. FATF continues to urge jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and to take into account ML/FT risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdiction.

The FATF remains prepared to engage directly in assisting Iran to address its AML/CFT deficiencies, including through the FATF Secretariat.

UZBEKISTAN

The FATF welcomes the significant recent steps that Uzbekistan has taken to restore and strengthen its AML/CFT regime and takes note of the action plan for further steps that it has articulated. FATF urges Uzbekistan to continue its progress towards completing its legislative framework and implementing an AML/CFT regime that meets international standards. Given that implementing regulations are not yet enacted, the FATF reiterates its statement of 16 October 2008.

TURKMENISTAN

The FATF welcomes Turkmenistan's recent progress in adopting AML/CFT legislation. Given that deficiencies remain in Turkmenistan's AML/CFT regime, FATF reiterates its 25 February 2009 statement informing financial institutions that these deficiencies constitute an ML/FT vulnerability in the international financial system and that they should take appropriate measures to address this risk. Turkmenistan is urged to continue to take steps to implement an AML/CFT regime that meets international AML/CFT standards. Turkmenistan is strongly encouraged to continue to work closely with the Eurasian Group and the International Monetary Fund to achieve this.

PAKISTAN

The FATF welcomes Pakistan's recent accession to the International Convention for the Suppression of the Financing of Terrorism. However, the FATF remains concerned about the ML/FT risks posed by Pakistan and reaffirms its public statement of 28 February 2008 regarding these risks. The FATF welcomes the process underway in

Pakistan to improve its AML/CFT regime. The FATF encourages Pakistan to continue to fully co-operate with the World Bank and the Asia Pacific Group on Money Laundering (APG) on its mutual evaluation process.

SÃO TOMÉ AND PRÍNCIPE

The FATF welcomes São Tomé and Príncipe's continuing efforts to implement its AML law. The FATF remains concerned about the significant deficiencies in São Tomé and Príncipe's AML/CFT regime, particularly relating to terrorist financing. The FATF urges São Tomé and Príncipe to work with the Inter Governmental Action Group against Money Laundering in West Africa (GIABA) to address the remaining AML/CFT deficiencies.

FATF STATEMENT CONCERNING IRAN, UZBEKISTAN, TURKMENISTAN, PAKISTAN, AND SÃO TOMÉ AND PRÍNCIPE

IRAN

The FATF is concerned by Iran's lack of engagement with the FATF and its failure to meaningfully address the ongoing and substantial deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime. The FATF remains particularly concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system. The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalising terrorist financing and effectively implementing suspicious transaction reporting (STR) requirements.

The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF reaffirms its 25 February 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. FATF continues to urge jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and to take into account ML/FT risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdiction. If Iran fails to take concrete steps to improve its AML/CFT regime, the FATF will consider calling on its members and urging all jurisdictions to strengthen counter-measures in February 2010.

UZBEKISTAN

The FATF welcomes the significant steps that Uzbekistan has taken to establish the necessary AML/CFT framework and urges Uzbekistan to continue its progress towards implementing effective AML/CFT measures. The FATF welcomes Uzbekistan's upcoming mutual evaluation by the EAG that will be finalized in spring 2010. The FATF will continue to monitor the progress being made in Uzbekistan and will reconsider in February 2010 the measures that are currently in place to protect jurisdictions' financial sectors from ML/FT risks emanating from Uzbekistan.

TURKMENISTAN

The FATF welcomes Turkmenistan's progress in adopting AML/CFT legislation and secondary legislation that aims to implement the AML/CFT law. However, deficiencies remain in Turkmenistan's AML/CFT regime, including the absence of a Financial Intelligence Unit (FIU). Consequently, the FATF reiterates its 25 February 2009 statement informing financial institutions that these deficiencies constitute an ML/FT vulnerability in the international financial system and that they should take appropriate measures to address this risk. Turkmenistan is urged to continue to take steps to implement an AML/CFT regime that meets international AML/CFT standards. Turkmenistan is encouraged to continue to work closely with the Eurasian Group and the International Monetary Fund to achieve this.

PAKISTAN

The FATF welcomes the close co-operation between Pakistan and the Asia/Pacific Group on Money Laundering (APG), but remains concerned regarding the ML/FT risks posed by Pakistan and reaffirms its public statement of 28 February 2008 regarding these risks. In particular, the FATF expresses concern that Pakistan's Anti-Money Laundering Ordinance (AMLO) will expire on 28 November 2009. The FATF notes that Pakistan has initiated a legislative process to address this. The FATF strongly urges Pakistan to implement a

permanent AML/CFT framework before the expiration of the AMLO and strongly encourages Pakistan to establish a comprehensive AML/CFT framework. Failing concrete progress, the FATF will consider taking action in February 2010 to protect the financial system from the ML/FT risks emanating from Pakistan.

SÃO TOMÉ AND PRÍNCIPE

The FATF welcomes São Tomé and Príncipe's continuing efforts to implement its AML law, including the development of an action plan with the Inter Governmental Action Group against Money Laundering in West Africa (GIABA). However, the FATF remains concerned about the deficiencies in São Tomé and Príncipe's AML/CFT regime, particularly relating to terrorist financing. The FATF urges São Tomé and Príncipe to work with GIABA to address the remaining AML/CFT deficiencies.