



ECONOMIC AND FINANCIAL CRIMES COMMISSION

SPECIAL CONTROL UNIT AGAINST MONEY LAUNDERING

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Circular to all DNFBPs, Self-Regulatory Bodies (SRBs) and Trade Associations

IMPLEMENTATION OF FATF COUNTERMEASURES AGAINST THE ISLAMIC REPUBLIC OF IRAN

Background

The Financial Action Task Force (FATF), in its Public Statement titled "*Jurisdictions subject to a FATF call on its members and other jurisdictions to apply countermeasures*", dated 24th October, 2025, has reiterated its call on all jurisdictions to apply **effective countermeasures** against the Islamic Republic of Iran.

Despite Iran's re-engagement with the FATF and recent updates on the ratification of the United Nations Convention against Transnational Organized Crime (Palermo Convention), the FATF has determined that:

- Iran has failed to address the majority of deficiencies in its AML/CFT action plan since 2016;
- Reservations entered by Iran to the Palermo Convention are overly broad and inconsistent with FATF standards;
- Significant **terrorist financing (TF)** and **proliferation financing (PF)** risks continue to emanate from Iran; and
- Iran remains subject to **United Nations Security Council Resolutions** relating to nuclear non-proliferation.

Accordingly, Iran remains listed as a **High-Risk Jurisdiction subject to a Call for Action**, and all jurisdictions are required to apply countermeasures in line with **FATF Recommendation 19**.

1. Mandatory Countermeasures

DNFBPs, SRBs, and Trade Associations are hereby directed to immediately apply the following FATF-prescribed countermeasures in respect of **Iranian nationals**,

entities, arrangements, and transactions linked to Iran, as part of their AML/CFT/CPF obligations;

1.1 Enhanced Risk Mitigation and Restrictions

DNFBPs shall:

- **Refuse or prohibit** the establishment of business relationships, subsidiaries, branches, or representative arrangements involving Iranian financial institutions, entities, or arrangements, where applicable to DNFBP activities;
- **Refrain from entering into new business relationships or transactions** with Iranian nationals or entities where adequate AML/CFT controls cannot be demonstrably applied.

1.2 Enhanced Customer Due Diligence (CDD)

Where engagement with Iranian nationals or entities is legally unavoidable:

- Apply **enhanced due diligence (EDD)** measures, including senior management approval;
- Establish and document the **source of funds and source of wealth**;
- Conduct enhanced ongoing monitoring of transactions and business relationships.

1.3 Proliferation Financing and Terrorist Financing Controls

DNFBPs shall:

- Assess and mitigate **proliferation financing risks** associated with Iran, in line with relevant UNSCRs;
- Screen customers, beneficial owners, and counterparties against **UN sanctions lists** and relevant national designation lists;
- Immediately freeze assets and report where TF or PF suspicions arise, in accordance with applicable laws.

1.4 Reporting Obligations

All DNFBPs are reminded that:

- **Any attempted or completed transaction involving a Iranian nationals, entities or suspected Iran-linked arrangements must be immediately reported to SCUML;**

- Such reports should be treated as **high-risk** and accompanied by relevant documentation and due diligence findings;
- Where suspicion arises, DNFBPs must also file Suspicious Transaction Report to the NFIU, in line with section 7 of the ML(PP)A,2022 and section 84 of the TPPA, 2022.

2. Responsibilities of SRBs and Trade Associations

Self-Regulatory Bodies and Trade Associations are required to:

- Disseminate this circular to all members without delay;
- Sensitise members on Iran-related AML/CFT/CPF and sanctions risks;
- Support compliance monitoring and promptly escalate any identified breaches to SCUML.

3. Supervisory and Enforcement Actions

This circular is issued in furtherance of section 31 of the EFCC (AML/CFT/CPF for DNFBPs and Other Related Matters) Regulations, 2024. Consequently, failure to comply with these directives constitutes a breach of applicable AML/CFT/CPF obligations and may attract **regulatory, administrative or enforcement actions**, in accordance with Nigerian laws and regulations.

SCUML will continue to monitor compliance with Iran-related targeted financial sanctions and countermeasures, consistent with FATF guidance and international best practices.

Please ensure immediate and full compliance.



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EFCC

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