

Commission Issues New List of High-Risk Third Countries

Thomas Wahl

News

Alongside a refined methodology for identifying third countries with strategic deficiencies in their AML/CFT frameworks (high-risk third countries → related link), the Commission adopted a new list of these countries on 7 May 2020. The list is a last resort for the EU, but required by the 4th and 5th AML Directives. It ensures protection of the EU's internal market by obliging financial entities to carry out extra checks if transactions from listed countries are involved. The list is based on the previous 2018 methodology and takes into account recent developments at the international level. The new list is now better aligned with the lists published by the FATF. The amendment took the form of a [Delegated Regulation \(C\(2020\) 2801 final\)](#).

The Commission listed 12 new countries. Based on the FATF "Compliance documents," the Commission added The Bahamas, Barbados, Botswana, Cambodia, Ghana, Jamaica, Mauritius, Mongolia, Myanmar, Nicaragua, Panama, and Zimbabwe. Bosnia-Herzegovina, Guyana, Lao People's Democratic Republic, Ethiopia, Sri Lanka, and Tunisia were removed from the list.

As regards the newly listed countries, the Regulation will only apply as of 1 October 2020 in consideration of the coronavirus crisis. The delisting of countries, however, is not affected by this. It will enter into force 20 days after publication in the Official Journal. The European Parliament and the Council have a one-month scrutiny period (extendable by one more month). The Regulation can only enter into force if there has been no objection during this scrutiny period. In February 2019, the Council objected to the proposed list of the Commission (see also [eucrim 1/2019, p. 18](#)).

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