

Council Opposes Commission's AML Blacklisting of Third Countries

Thomas Wahl

News

At the meeting of 7 March 2019, the JHA Council unanimously rejected a list of 23 “high-risk third countries” in the area of money laundering and terrorist financing. The list was put forward by the Commission on 13 February 2019.

The list aims to protect the EU financial system by better preventing money laundering and terrorist financing risks. As a result of the listing, banks and other entities covered by EU anti-money laundering rules will be required to apply increased checks (due diligence) on financial operations involving customers and financial institutions from these high-risk third countries in order to better identify any suspicious money flows. The list was adopted on the basis of the fifth anti-money laundering directive that came into force in July 2018 (see [eu crim 2/2018, 93](#)). It is the result of an autonomous, in-depth assessment by the Commission.

The Council justified its rejection by stating that it “cannot support the current proposal that was not established in a transparent and resilient process that actively incentivises affected countries to take decisive action while also respecting their right to be heard.”

The Commission must now draft a new list of high-risk third countries that takes into account the Member States’ concerns. Although the Commission has the power to draw up the list by delegated act, the act must be approved by the Council and the European Parliament.

The list is a continuous point of contention. Whereas [MEPs backed](#) the Commission’s position, Member States’ [governments fear political pressure](#) from important trade partners, such as Saudi Arabia or the USA (with four U.S. territories on the Commission’s list).

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