

# Procedure file

| Basic information  |                                |   |
|--|--------------------------------|---|
| DEA - Delegated acts procedure   | <a href="#">2022/2500(DEA)</a> | Procedure completed - delegated act enters into force |
| Identifying high-risk third countries with strategic deficiencies: adding Burkina Faso, Cayman Islands, Haiti, Jordan, Mali, Morocco, the Philippines, Senegal, and South Sudan to the table in point I of the Annex and deleting The Bahamas, Botswana, Ghana, Iraq and Mauritius from this table |                                |   |
| Supplementing <a href="#">2013/0025(COD)</a>   |                                |   |
| Subject  |                                |   |
| 7.30.20 Action to combat terrorism   |                                |   |
| 7.30.30.08 Capital outflow, money laundering   |                                |   |

| Key players         |   |            |           |
|---------------------|---|------------|-----------|
| European Parliament | Joint Committee Responsible   | Rapporteur | Appointed |
|                     | <b>ECON</b> <a href="#">Economic and Monetary Affairs</a>             |            |           |
|                     | <b>LIBE</b> <a href="#">Civil Liberties, Justice and Home Affairs</a> |            |           |

| Key events |  |                              |         |
|------------|--|------------------------------|---------|
| 07/01/2022 | Non-legislative basic document published                 | <a href="#">C(2021)04335</a> | Summary |
| 10/01/2022 | Initial period for examining delegated act<br>1 month(s) |                              |         |
| 19/01/2022 | Committee referral announced in Parliament               |                              |         |
| 19/01/2022 | Referral to joint committee announced in Parliament      |                              |         |
| 18/02/2022 | Delegated act not objected by Parliament                 |                              |         |

| Technical information      |   |
|----------------------------|---|
| Procedure reference        | 2022/2500(DEA)  |
| Procedure type             | DEA - Delegated acts procedure                        |
| Procedure subtype          | Examination of delegated act                          |
| Legal basis                | Rules of Procedure EP 58                              |
| Stage reached in procedure | Procedure completed - delegated act enters into force |
| Committee dossier          | CJ12/9/08082  |

| Documentation gateway          |  |                              |            |    |         |
|--------------------------------|--|------------------------------|------------|----|---------|
| Non-legislative basic document |  | <a href="#">C(2021)04335</a> | 07/01/2022 | EC | Summary |

## Identifying high-risk third countries with strategic deficiencies: adding Burkina Faso, Cayman Islands, Haiti, Jordan, Mali, Morocco, the Philippines, Senegal, and South Sudan to the table in point I of the Annex and deleting The Bahamas, Botswana, Ghana, Iraq and Mauritius from this table

This Delegated Regulation concerns the adoption of a list of high risk third countries under the 4th Anti-Money Laundering Directive (Directive (EU) 2015/849). The aim is to update the EU list on the basis of the latest available Financial Action Task Force (FATF) list.

BACKGROUND: [Directive \(EU\) 2015/849](#) empowers the Commission to adopt delegated acts to identify third countries with strategic AML/CFT deficiencies that pose a significant threat to the EU financial system (high risk third countries) by taking into account their strategic deficiencies and laying down the criteria on which the Commission's assessment is to be based.

On 14 July 2016, the Commission adopted [Delegated Regulation \(EU\) 2016/1675](#) which identified a number of third countries that have strategic deficiencies in their AML/CFT regimes that pose significant threats to the financial system of the Union. Since the last amendments to Regulation (EU) 2016/1675, the FATF updated its list of Jurisdictions under Increased Monitoring as follows:

- at its Plenary meeting of February 2021, the FATF added Burkina Faso, Cayman Islands, Morocco, and Senegal to its list;
- at its Plenary meeting of June 2021, the FATF added Haiti, the Philippines and South Sudan and deleted Ghana from its list;
- at its Plenary meeting of October 2021, the FATF added Jordan, Mali and Turkey and deleted Botswana and Mauritius from its list.

In addition, in the fourth quarter 2021, the Commission finalised its assessment of The Bahamas and Iraq. Taking account of the progress made by these countries, the Commission considered that The Bahamas and Iraq should be deleted from the EUs list of high risk third countries.

It is necessary to continue to update Delegated Regulation (EU) 2016/1675 to take into account information from international organisations and standard setters in the field of anti-money laundering and combating the financing of terrorism, such as FATF public statements, mutual evaluation or detailed assessment reports, and published follow-up reports.

CONTENT: this Delegated Regulation amends Delegated Regulation (EU) 2016/1675 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council with regard to the following:

### Addition to the list of Delegated Regulation (EU) 2016/1675

The Commission to add Burkina Faso, Cayman Islands, Haiti, Jordan, Mali, Morocco, the Philippines, Senegal, and South Sudan as having strategic deficiencies in their AML/CFT regime to the list of the Delegated Regulation (EU) 2016/1675 as countries presenting strategic deficiencies in their AML/CFT regime that pose significant threats to the financial system of the Union.

These countries provided a written high-level political commitment to address the identified deficiencies and developed an action plan with the FATF for this purpose. In order to take into account the level of commitment that has been demonstrated in the context of the FATF, these high-risk third countries are listed in the table in point I of the Annex to the Delegated Regulation (High-risk third countries which have provided a written high-level political commitment to address the identified deficiencies and have developed an action plan with FATF).

### Deletion from the list of Delegated Regulation (EU) 2016/1675

The Commission proposed to remove the Bahamas, Botswana, Ghana, Iraq and Mauritius from the table in point I of the Annex.

The FATF welcomed significant progress made by Botswana, Ghana and Mauritius in improving its AML/CFT regime and noted that Botswana, Ghana and Mauritius have established the legal and regulatory framework to meet the commitments in their action plans regarding the strategic deficiencies that the FATF had identified. The Commission's analysis concluded that, according to available information, The Bahamas, Botswana, Ghana, Iraq and Mauritius no longer have strategic deficiencies in their AML/CFT regime.

### Other third countries publicly identified by the FATF

In October 2021, the FATF publicly identified Turkey as having strategic deficiencies in its AML/CFT regime. Turkey made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its mutual evaluation report in October 2019, Turkey has made progress on a number of the recommended actions in this report to improve its AML/CFT regime.

In the context of the accession negotiations, the Commission developed further mitigating measures with Turkey in order to ensure alignment with Directive (EU) 2015/849. Subject to the implementation of the commitments taken by Turkey, the Commission considers that those additional mitigating measures allow addressing sufficiently the remaining deficiencies. Therefore, there is no need to adopt further measures under the Anti-Money Laundering of Directive at this stage.

### Legal elements

As a direct consequence of the adoption of this Delegated Regulation, obliged entities in all Member States are bound to apply enhanced customer due diligence measures according to Directive (EU) 2015/849 with respect to business relationships or transactions involving countries that remain included in the Annex to this Delegated Regulation.

Furthermore, the Financial Regulation prohibits persons and entities implementing Union funds or budgetary guarantees from entering into new or renewed operations with entities incorporated or established in countries included in this Delegated Regulation pursuant to Directive (EU) 2015/849, except when an action is physically implemented in these countries and subject to the absence of other risk factors. Implementing partners must transpose those requirements also in their own contracts with selected financial intermediaries.