

Committees reject Commission's blacklist of states at risk of money laundering

Members of two Parliamentary committees have rejected a blacklist of countries with possible links to money laundering and financing of terrorism, which has been drawn up by the Commission because they believe it is too restrictive.

MEPs from the Economic and Monetary Affairs Committee and the Committee on Civil Liberties, Justice and Home Affairs voted by 47 to 8 votes, with 25 abstentions to send the list back to the Commission for revision. They criticise the compilation as inadequate, particularly because it fails to include jurisdictions which may be involved in tax crimes.

"Today's vote demonstrates that an overwhelming number of Committee MEPs view the Commission's list of high-risk third countries as completely inadequate. This list is too limited. It fails to even mention non-cooperative tax jurisdictions and doesn't take into account the Panama Papers revelations," said one of the rapporteurs of the resolution, Judith Sargentini (Greens, NL).

Guidance from the 4th Anti-money Laundering Directive

The Commission say that they are guided by the criteria listed in the 4th Anti-money Laundering Directive, which is currently undergoing amendment. The Directive gives the Commission the authority to identify high-risk countries with "strategic deficiencies" in areas ranging from anti-money laundering and counter-terrorism financing through record keeping. It does not explicitly mention the issue of tax crimes. But MEPs say the criteria are not intended to be exhaustive and they draw a link between tax crime and money laundering.

The Commission's blacklist is a duplicate of that drawn up by the intergovernmental body, the Financial Action Task Force (FATF), which regularly lists uncooperative states or those deemed deficient in anti-money laundering or counter-terrorism financing. The FATF register includes countries such as North Korea and Iran, but does not include jurisdictions such as Panama or the Bahamas.

"We want the Commission to be more ambitious than merely copy-pasting the FATF list. So, my co-rapporteur and I are undertaking a targeted revision of the fourth anti-money laundering directive, to expand the criteria for the Commission to use when it next compiles its list" added Sargentini.

The resolution will now be put to a full plenary vote in January and Parliament must now decide either to support or reject the motion.

Further information

[Committee on Economic and Monetary Affairs](#)

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