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EU Commission High Risk Third Country List

Of particular interest to: all firms

In brief

With Delegated Regulation **2020/855**, the European Commission has updated its list of high-risk third countries which present strategic deficiencies in their anti-money laundering and countering terrorist financing regimes. Firms will need to update their list of AML high-risk third countries to reflect these changes – enhanced due diligence measures will need to be applied by any firm wishing to establish a relationship with a natural person or an entity established in one of the listed countries (as required under Article 18 of Regulation **2015/849** – the Fourth Money Laundering Directive).

Summary

The original list of high-risk third countries appeared in an Annex to Delegated Regulation 2016/1675 which supplemented the Fourth Money Laundering Directive. Since that time the Annex has been amended by four separate Delegated Regulations (see 'Useful Links') including the above Regulation 2020/855.

The Annex actually contains three separate Tables, although tables II and III have only ever consisted of one country each, being Iran and the DPRK respectively.

The changes to the list of high-risk third countries in **Table I** brought about by Regulation 2020/855 will take place in **two phases**.

- The following countries will be **removed** from the EU Commission High Risk Third Country List on **9 July 2020**: Bosnia-Herzegovina, Ethiopia, Guyana, Lao People's Democratic Republic, Sri Lanka and Tunisia; and

- As of **1 October 2020** Table I will be replaced by the following:

No.	High Risk Third Country
1	Afghanistan
2	The Bahamas
3	Barbados
4	Botswana
5	Cambodia
6	Ghana
7	Iraq
8	Jamaica
9	Mauritius
10	Mongolia
11	Myanmar/Burma
12	Nicaragua
13	Pakistan
14	Panama
15	Syria
16	Trinidad and Tobago
17	Uganda
18	Vanuatu
19	Yemen
20	Zimbabwe

Actions to be taken by Firms

Firms will need to review and update their internal AML policies and procedures to reflect the revisions being made to the high-risk third country list.

Where Customer Due Diligence AML activities are outsourced to external parties, Firms will need to ensure that their service providers have implemented the necessary changes introduced by the Commission Delegated Regulation (EU) 2020/855 within their AML processes and procedures.

Useful links:

[Commission Delegated Regulation \(EU\) 2020/855 of 7 May 2020](#)

[Commission Delegated Regulation \(EU\) 2018/1467 of 27 July 2018](#)

[Commission Delegated Regulation \(EU\) 2018/105 of 27 October 2017](#)

[Commission Delegated Regulation \(EU\) 2018/212 of 13 December 2017](#)

[Commission Delegated Regulation \(EU\) 2016/1675 of 14 July 2016](#)

[Directive \(EU\) 2015/849 - Fourth Money Laundering Directive](#)

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