Commission Delegated Regulation (EU) 2018/212 of 13 December 2017 amending Delegated Regulation (EU) 2016/1675 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council, as regards adding Sri Lanka, Trinidad and Tobago, and Tunisia to the table in point I of the Annex (Text with EEA relevance)

COMMISSION DELEGATED REGULATION (EU) 2018/212

of 13 December 2017

amending Delegated Regulation (EU) 2016/1675 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council, as regards adding Sri Lanka, Trinidad and Tobago, and Tunisia to the table in point I of the Annex

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC[(1)], and in particular Article 9(2) thereof,

Whereas:

(1) The Union must ensure an effective protection of the integrity and proper functioning of its financial system and the internal market from money laundering and terrorist financing. Hence Directive (EU) 2015/849 provides that the Commission should identify high-risk third countries which present strategic deficiencies in their regimes on anti-money-laundering and countering terrorist financing that pose significant threats to the financial system of the Union.

(2) The Commission should review the list of high-risk third countries listed in Delegated Regulation (EU) 2016/1675[(2)] at appropriate times in light of the progress made by those high-risk third countries in removing the strategic deficiencies in their regime on anti-money-laundering and countering terrorist financing (‘AML/CFT’). The Commission should take account in its assessments of new information from international organisations and standard-setters, such as those issued by the Financial Action Task Force (FATF). In light of this information, the Commission should also identify additional high-risk third countries presenting strategic deficiencies in their AML/CFT regime.

(3) In line with the criteria set out in Directive (EU) 2015/849, the Commission took into account the recent available information, in particular recent FATF Public Statements and the FATF document ‘Improving Global AML/CFT Compliance: ongoing process’,

Changes to legislation: *There are currently no known outstanding effects for the Commission Delegated Regulation (EU) 2018/212. (See end of Document for details)*

and FATF reports of the International Cooperation Review Group in relation to the risks posed by individual third countries in line with Article 9(4) of Directive (EU) 2015/849.

(4) The FATF identified Sri Lanka, Trinidad and Tobago, and Tunisia as having strategic AML/CFT deficiencies that pose a risk to the international financial system, for which they have developed an action plan with the FATF.

(5) Considering the high level of integration of the international financial system, the close connection of market operators, the high volume of cross-border transactions to or from the Union, as well as the degree of market opening, the Commission hence considers that any AML/CFT threat posed to the international financial system also represents a threat for the Union financial system.

(6) In accordance with the latest relevant information, the Commission's analysis has concluded that Sri Lanka, Trinidad and Tobago, and Tunisia should be considered third-country jurisdictions which have strategic deficiencies in their AML/CFT regime that pose significant threats to the financial system of the Union in accordance with the criteria set out in Article 9 of Directive (EU) 2015/849. However, these countries have provided a written high-level political commitment to address the identified deficiencies and have developed an action plan with FATF, which would allow the requirements laid down in Directive (EU) 2015/849 to be met. The Commission will reassess these countries' status in the light of the implementation of the above commitment.

(7) Delegated Regulation (EU) 2016/1675 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

In the Annex to Delegated Regulation (EU) 2016/1675, in the table in point I the following lines are inserted:

11	Sri Lanka
12	Trinidad and Tobago
13	Tunisia

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.