

II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2023/2070

of 18 August 2023

amending Delegated Regulation (EU) 2016/1675 to add Cameroon and Vietnam to the list of high-risk third countries

(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 is to ensure the effective protection of the integrity and proper functioning of its financial system and the internal market from money laundering and terrorist financing. Directive (EU) 2015/849 therefore provides that the Commission is to identify third-country jurisdictions which have strategic deficiencies in their regimes on anti-money laundering and countering financing of terrorism (AML/CFT) that pose significant threats to the financial system of the Union ('high-risk third countries').
- (2) Commission Delegated Regulation (EU) 2016/1675 ⁽²⁾ identifies high-risk third countries with strategic deficiencies.
- (3) 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 and from the Union, and the degree of market openness, any AML/CFT threat posed to the international financial system is also a threat to the financial system of the Union.
- (4) Pursuant to Article 9(4) of Directive (EU) 2015/849, the Commission, when identifying high-risk third countries, is to take into account relevant evaluations, assessments or reports drawn up by international organisations and standard setters with competence in the field of preventing money laundering and combating terrorist financing. Such information includes public statements from the Financial Action Task Force (FATF), the FATF list of 'Jurisdictions under Increased Monitoring', and FATF reports of the International Cooperation Review Group in relation to the risks posed by individual third countries.

⁽¹⁾ OJ L 141, 5.6.2015, p. 73.

⁽²⁾ Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies (OJ L 254, 20.9.2016, p. 1).

- (5) Since the latest amendments to Delegated Regulation (EU) 2016/1675, the FATF has updated its list of 'Jurisdictions under Increased Monitoring'. At its plenary meeting between 21-23 June 2023, the FATF has updated its list of 'Jurisdictions under Increased Monitoring' by adding Cameroon and Vietnam to that list. Given those changes, the Commission has conducted an assessment to identify high-risk third countries in accordance with Article 9 of Directive (EU) 2015/849.
- (6) In June 2023, Cameroon made a high-level political commitment to work with the FATF and the *Groupe d'Action Contre le Blanchiment d'Argent en Afrique Centrale* (GABAC), which is its FATF-style regional body (FSRB), to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its mutual evaluation report in October 2021, Cameroon has made progress on some of the actions recommended in the mutual evaluation report by increasing the resources of the financial intelligence unit (FIU) and by building the capacity of investigation authorities and judicial bodies to effectively conduct money laundering/terrorism financing cases. Cameroon will work to implement its FATF action plan: (1) by aligning AML/CFT national strategies and policies with the findings of the national risk assessment and monitoring their implementation, and demonstrating AML/CFT cooperation and coordination between competent authorities; (2) by ensuring risk-based prioritisation of incoming international cooperation requests in line with risks and responding in an effective manner; (3) by enhancing risk-based supervision of banks and implementing effective risk-based supervision for non-bank financial institutions and designated non-financial businesses and professions, and conducting appropriate outreach to high-risk financial institutions and designated non-financial businesses and professions; (4) by maintaining and ensuring timely access by competent authorities to adequate and up-to-date beneficial ownership information on legal persons, and establishing a sanctions regime for violations of transparency obligations applicable to legal persons; (5) by enhancing secure information exchange between the FIU, reporting entities and competent authorities and demonstrating an increase in dissemination of intelligence reports to support operational needs of competent authorities; (6) by demonstrating that authorities are able to conduct a range of money laundering investigations, and prosecute money laundering in line with risks; (7) by implementing policies and procedures for seizing and confiscating proceeds and instrumentalities of crime and managing frozen, seized and confiscated property, and prioritising seizure and confiscation of assets at the border; (8) by demonstrating that terrorism financing investigations and prosecutions are pursued in line with risk; and (9) by demonstrating effective implementation of terrorism financing and proliferation financing targeted financial sanctions (TFS) regimes and implementing a risk-based approach to non-profit organisations without disrupting legitimate non-profit organisation activities. Despite that commitment and progress, Cameroon has not yet fully addressed the concerns that led to Cameroon being added to the FATF's list of 'Jurisdictions under Increased Monitoring'. Cameroon should therefore be considered a third-country jurisdiction that has strategic deficiencies in its AML/CFT regime that pose significant threats to the financial system of the Union as referred to in Article 9(1) of Directive (EU) 2015/849.
- (7) In June 2023, Vietnam made a high-level political commitment to work with the FATF and the Asia Pacific Group (APG), which is its FSRB, to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its mutual evaluation report in November 2021, Vietnam has made progress on some of the actions recommended in the mutual evaluation report by joining the Asset Recovery Interagency Network Asia Pacific and by adopting a national action plan on AML/CTF/countering proliferation financing. Vietnam will work to implement its FATF action plan: (1) by increasing risk understanding, domestic coordination and cooperation to combat money laundering/terrorist financing; (2) by enhancing international cooperation; (3) by implementing effective risk-based supervision for financial institutions and designated non-financial businesses and professions; (4) by taking action to regulate virtual assets and virtual asset service providers; (5) by addressing technical compliance deficiencies, including with respect to the money laundering offence, TFS, customer due diligence and suspicious transaction reporting; (6) by conducting outreach activities with the private sector; (7) by establishing a regime that provides competent authorities with adequate, accurate and up-to-date information on beneficial ownership; (8) by ensuring the independence of the FIU and enhancing the quality and quantity of financial intelligence analysis and disseminations; (9) by prioritising parallel financial investigations and demonstrating an increase in the number of money laundering investigations and prosecutions undertaken; and (10) by demonstrating that there is monitoring

of financial institutions and designated non-financial businesses and professions for compliance with proliferation financing TFS obligations and that there is cooperation and coordination between authorities to prevent proliferation financing TFS from being evaded. Despite that commitment and progress, Vietnam has not yet fully addressed the concerns that led to Vietnam being added to the FATF's list of 'Jurisdictions under Increased Monitoring'. Vietnam should therefore be considered a third-country jurisdiction that has strategic deficiencies in its AML/CFT regime that pose significant threats to the financial system of the Union as referred to in Article 9(1) of Directive (EU) 2015/849.

- (8) The Commission therefore concludes that Cameroon and Vietnam should be considered third-country jurisdictions which have strategic deficiencies in their AML/CFT regimes that pose significant threats to the financial system of the Union. Cameroon and Vietnam should therefore be added to the table in point I of the Annex to Delegated Regulation (EU) 2016/1675.
- (9) Delegated Regulation (EU) 2016/1675 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Delegated Regulation (EU) 2016/1675 is amended in accordance with the Annex to this Regulation.

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.

Done at Brussels, 18 August 2023.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

In point I of the Annex to Delegated Regulation (EU) 2016/1675, the table is replaced by the following:

No	High-risk third country ⁽¹⁾
1	Afghanistan
2	Barbados
3	Burkina Faso
4	Cameroon
5	Cayman Islands
6	Democratic Republic of the Congo
7	Gibraltar
8	Haiti
9	Jamaica
10	Jordan
11	Mali
12	Mozambique
13	Myanmar
14	Nigeria
15	Panama
16	Philippines
17	Senegal
18	South Africa
19	South Sudan
20	Syria
21	Tanzania
22	Trinidad and Tobago
23	Uganda
24	United Arab Emirates
25	Vanuatu
26	Vietnam
27	Yemen

⁽¹⁾ Without prejudice to the legal position of the Kingdom of Spain with regard to sovereignty and jurisdiction in relation to the territory of Gibraltar.'