

VĚRA JOUROVÁ
Member of the European Commission

Brussels,
Ares(2017)

Dear Chairs,

I would like to come back to you following the European Parliament's resolution objecting to the Commission Delegated Regulation of 24 November 2016. I take due note of your request to the Commission to submit a new delegated act and your expectation that the Commission should conduct its own assessment without solely relying on external information sources.

I wish to reassure you that the Commission takes your concerns seriously and is reflecting on the best way to address them.

Let me first stress that the Commission is a full member of the Financial Action Task Force (FATF) and is committed to further stepping up its proactive engagement within FATF, including as regards the screening of individual countries' compliance with global anti-money laundering and counter terrorist financing (AML/CFT) standards. The Commission will inter alia increase its efforts to enhance the co-ordination of positions of EU Member States that are FATF members or represented by Moneyval in order to ensure a strong joint position. I am confident that this process will allow us to maximise the EU's influence on FATF policies upstream, in particular with respect to the listing of countries both in the initial analysis phase and at the stage of listing itself. One area we will pay particular attention to in this context is transparency, including on beneficial ownership.

In parallel, the Commission is looking into various possible options for developing its approach to assessing high-risk third countries so as to avoid having to rely solely on external information sources. The establishment of a fully-fledged, autonomous evaluation process for establishing the EU list of high-risk third countries is one of the options being assessed. Such a step would need to be carefully prepared. It would have to be based on a proper legal analysis and a robust methodology which ensures high quality, consistency and a fair treatment of third countries.

Mr Roberto GUALTIERI, MEP
Chair of Economic and Monetary Committee
roberto.gualtieri@europarl.europa.eu, econ-secretariat@ep.europa.eu

Mr Claude MORAES, MEP
Chair of Civil Liberties, Justice and Home Affairs Committee
claudio.moraes@europarl.europa.eu, libe-secretariat@ep.europa.eu

Mr Werner LANGEN, MEP
Chair of Money Laundering, Tax Avoidance and Tax Evasion Committee
werner.langen@europarl.europa.eu; pana-secretariat@ep.europa.eu

The potential impact on resources would also need to be carefully considered. As an indication, the evaluation process undertaken by FATF requires a team of 5-6 evaluators per assessed country, who conduct on-site visits, and may take up to 2 years. In light of these considerations, the Commission needs the necessary time to examine the best way forward.

The Commission also notes the European Parliament's proposed amendments on the listing criteria under article 9 of Directive (EU) 2015/849. If the co-legislators decide to include them in the revised Anti-Money Laundering Directive, these criteria would have to be considered in the establishment of the EU list.

In the meantime, we need to continue to establish the EU list drawing on an assessment by the Commission of information obtained from international bodies and in particular the work done within the FATF. Otherwise the EU AML/CFT framework would fall short in terms of compliance with our international commitments. It would also undermine our efforts to promote a global approach towards countries that are identified as presenting a risk for the international financial system. Considering the degree to which financial systems are interlinked, we would expose the internal market to serious risks if the EU failed to include those jurisdictions on the EU list of high risk third countries.

The Commission has therefore adopted today a Delegated Act on a revised list of high-risk third countries that removes one country from the July 2016 list and includes one additional country in the list. I hope that the European Parliament will give its approval to this list in the interests of avoiding the risks I have set out above. I remain at your disposal to continue our dialogue in this important area and to update you on the progress made in maximising the EU's influence in FATF and in exploring options for developing the Commission's approach to assessing high-risk third countries.

Yours sincerely,



Věra Jourová