



## Questions and Answers – Commission steps up fight against money laundering and terrorist financing

Brussels, 7 May 2020

The European Commission has today put forward a series of measures designed to further strengthen the EU's framework to fight against money laundering and terrorist financing:

- An Action Plan for a Comprehensive EU policy on Preventing Money Laundering and Terrorist Financing
- A refined and more transparent methodology to identify high-risk third countries
- An updated list of high-risk third countries

To ensure inclusive discussions on the development of these policies, the Commission launched a public consultation today on the Action Plan. Authorities, stakeholders and citizens will have until 29 July to provide their feedback.

### **Action Plan for a Comprehensive EU policy on Preventing Money Laundering and Terrorist Financing**

#### **Why is the Commission adopting this Action Plan now?**

While current EU rules are far-reaching, and even go beyond international standards, they are not applied in a fully coherent manner across the EU. This leads to fragmentation between Member States. The challenge lies not only with specific pieces of legislation but with how these rules are implemented effectively across the EU. There is a clear need to tackle this lack of coherence and ensure a more harmonised implementation of the rules across the EU. The recent increase in criminal activities in the context of the Coronavirus pandemic is a reminder that criminals will exploit all possible avenues to pursue their illicit activities to the detriment of society. The EU needs to be equally determined in ensuring that they do not benefit from the proceeds of these crimes.

In July 2019, the Commission adopted [an Anti-Money Laundering Communication](#), which highlighted a number of measures that could be taken to remedy the weaknesses in the EU's current anti-money laundering rules.

Following this, the European Parliament and the Council invited the Commission to investigate what steps could be taken to achieve a more harmonised set of rules across the EU, including better supervision at an EU level and improved coordination among Member States' Financial Intelligence Units (FIUs).

Today's Action Plan is the Commission's reply to these calls and is a first step towards a new, comprehensive framework to fight money laundering and terrorist financing in the EU.

#### **How is the EU going to stop money laundering and terrorist financing?**

Money laundering is a difficult crime to detect. Its consequences can have a severe impact on the EU's economy and on its financial system. Therefore, the EU needs to have a multi-faceted approach to properly tackle money laundering and terrorist financing. Action is needed on several levels.

This is why the Commission has today put forward a series of measures aimed at closing any loopholes or weak links in the EU's anti-money laundering rules.

Today's Action Plan is built on six pillars, each of which is aimed at improving the EU's overall fight against money laundering and terrorist financing, as well as strengthening the EU's global role in this area. When combined, these six pillars will ensure that EU rules are more harmonised and therefore more effective. The rules will be better supervised and there will be better coordination between Member States' authorities.

**The six pillars** are as follows:

- **Effective application of EU rules:** the Commission will continue to monitor closely the implementation of EU rules by Member States to ensure that the national rules are in line with the highest possible standards. In parallel, today's Action Plan encourages the European Banking Authority (EBA) to make full use of its new powers to tackle money laundering and terrorist

financing.

- **A single EU rulebook:** while current EU rules are far-reaching and effective, Member States tend to apply them in a wide variety of different manners. Diverging interpretations of the rules therefore lead to loopholes in our system, which can be exploited by criminals. To combat this, the Commission will propose a more harmonised set of rules in the first quarter of 2021.
- **EU-level supervision:** currently it is up to each Member State to individually supervise EU rules in this area and as a result, gaps can develop in how the rules are supervised. In the first quarter of 2021, the Commission will propose to set up an EU-level supervisor.
- **A coordination and support mechanism for Member States' Financial Intelligence Units:** [Financial Intelligence Units](#) in Member States play a critical role in identifying transactions and activities that could be linked to criminal activities. In the first quarter of 2021, the Commission will propose to establish an EU mechanism to help further coordinate and support the work of these units.
- **Enforcing EU-level criminal law provisions and information exchange:** Judicial and police cooperation, on the basis of EU instruments and institutional arrangements, is essential to ensure the proper exchange of information. The private sector can also play a role in fighting money laundering and terrorist financing. The Commission will issue guidance on the role of public-private partnerships to clarify and enhance data sharing.
- **The EU's global role:** the EU is actively involved within the Financial Action Task Force (FATF) and on the world stage in shaping international standards in the fight against money laundering and terrorist financing. We are determined to step up our efforts so that we act as a single global actor in this area. In particular, the EU will adjust its approach to third countries with strategic deficiencies in their anti-money laundering and countering terrorist financing regimes that pose significant threats to our Single Market. The new methodology issued alongside this Action Plan today provides the EU with the necessary tools to do so. Pending the entry into force of this revised methodology, today's updated EU list ensures better alignment with the latest FATF (Financial Action Task Force) list.

#### **What about the effective implementation of current EU rules?**

The Commission closely monitors the implementation of all EU rules in its Member States. For example, infringement proceedings were opened in February 2020 against all those Member States that failed to notify transposition of the 5th Anti-Money Laundering Directive.

In parallel, we continue to verify that Member States have fully and correctly transposed the 4th Anti-Money Laundering Directive. The Commission has also started checking how Member States are implementing this Directive *in practice*. This is done in the context of the European Semester cycle. The Commission has also contracted a study by the Council of Europe, which has extensive experience in such checks. This study will feed into the report on effectiveness that the Commission is required to submit by 2022 under the Anti-Money Laundering Directive.

The Commission expects the European Banking Authority (EBA) to use its new powers to improve the effectiveness of supervisory action in the financial sector by conducting on-site examinations to assess AML framework across the EU.

#### **Will this Action Plan lead to a new Regulation? What rules will be harmonised in the future?**

This will be subject to a thorough analysis to ensure that we reach as high a level of harmonisation as possible. Current EU rules do function but Member States tend to apply them in a wide variety of different manners. Diverging interpretations of EU law therefore lead to loopholes in our system, which can be exploited by criminals. To combat this, the Commission will propose a more harmonised set of rules in the first quarter of 2021.

A number of areas where divergence should be minimised were highlighted, namely the list of obliged entities, customer due diligence requirements, internal controls, and reporting obligations.

#### **Is current supervision sufficient or should an Agency at EU level be created?**

Following recent EU reforms, the European Banking Authority (EBA) has been empowered to act quickly and decisively in the fight against money laundering and terrorist financing. It is now equipped with concrete tools to ensure the exchange of information between anti-money laundering and financial supervisors.

The latest amendments of the Anti-Money Laundering Directive also give national authorities more powers to act where banks, or financial and non-financial entities, breach their anti-money laundering obligations. These amendments also improve the exchange of information between authorities.

Nevertheless, as outlined in [a Commission Report on the assessment of recent alleged money](#)

[laundering cases](#), some structural weaknesses in the EU's anti-money laundering framework persist, even after all the new measures have been fully implemented.

These weaknesses may endanger the security and reputation of the EU's financial system. Therefore, it is essential that the EU's anti-money laundering rules can also be supervised at an EU level.

The role and scope of this EU-level supervision – as well as the supervisory body that should be tasked with carrying out this role – will be proposed following a thorough assessment of all options, also based on the feedback we will receive in the open public consultation launched today.

The EU-level supervisor will be established as part of a comprehensive new policy to fight money laundering and terrorist financing. The Commission has set the political objective to achieve this within this mandate, and we count on the support of the European Parliament and the Council to ensure that the legislative work will progress as swiftly as possible.

### **Will all operators be supervised by this EU-level supervisor?**

This matter will be thoroughly analysed. As the Action Plan notes, there are several options regarding the scope of EU-level supervision, ranging from a narrow to a broad scope. Each of these options has pros and cons, and the Commission's proposal will be based on a careful assessment of all options, also based on the feedback we will receive in the open public consultation launched today, ensuring that the future supervisory framework is of the highest quality and leaves no weak links nor loopholes in the system.

### **What about the national Financial Intelligence Units (FIU)?**

[Financial Intelligence Units](#) (FIUs) in Member States play an important role in identifying transactions and activities that could be linked to criminal activities. However, several technical difficulties in the functioning of the secure communication channels (FIU.net) have created difficulties.

Several Financial Intelligence Units fail to comply with their obligation to exchange information with other Financial Intelligence Units. In addition, some Financial Intelligence Units have not managed to engage in a meaningful dialogue by giving quality feedback to private entities, as required by the Anti-Money Laundering Directive. The Action Plan sets the ground for the creation of an EU support and coordination mechanism for these Units.

The aim of this mechanism is to remedy the weaknesses that were identified in how Financial Intelligence Units work. This support and coordination mechanism would support cross-border cooperation and analysis. It would also streamline how information is exchanged between Member States' FIUs and the FIUs of third countries. Finally, this support mechanism will operate as the host and as a secure communication channel for the FIU.net.

### **The private sector can play a critical role in fighting money laundering and terrorist financing. What will the Commission do to support its involvement?**

Private operators are the gatekeepers of our financial system and our economy. They are the first ones to detect whether a transaction or activity might be suspicious. With their day-to-day experience, they can certainly contribute to fighting money launderers and those who fund terrorist activities.

The Commission fully recognises the benefits of the public and the private sector working together in this area. At the same time, it is important that these partnerships develop in a sound manner. To this end, the Commission will issue guidance, including sharing of good practices, and will consider whether to request the opinion of the European Data Protection Board in this work.

### **Will the list of private operators subject to anti-money laundering/terrorist financing requirements be expanded?**

We will analyse whether the current scope of operators subject to these rules is adequate. Recent reviews of international standards suggest that, as a minimum, virtual asset service providers should be requested to comply with the relevant rules.

This is also an area where we can learn from Member States' experiences. Some countries have expanded the list of professionals subject to these rules to include, for example, crowdfunding platforms. All these examples should be analysed, also based on the feedback we will receive in the open public consultation launched today, to arrive at a harmonised list of obliged entities.

New methodology for identifying high-risk third countries

### **Why do you need a new methodology to identify high-risk third countries?**

Identifying and tackling money-laundering activities is a moving target. Criminal techniques develop fast and take into account the latest technological developments. The new methodology aims at tackling these issues and updating our capacity to successfully identify high-risk third countries with strategic deficiencies in their anti-money laundering and countering terrorist financing regimes that

pose significant threats to our Single Market.

In addition, under the Anti-Money Laundering Directive (AMLD), the Commission has a legal obligation to identify high-risk third countries with strategic deficiencies in their legal systems regarding money laundering and terrorist financing. This is to ensure that enhanced due diligence measures are applied, for example, by relevant EU businesses when carrying out financial transactions involving those third countries.

The 5th AMLD, adopted in July 2018, further strengthened the criteria for the identification of high-risk third countries, going beyond the criteria of the Financial Action Task Force (FATF), in particular as regards beneficial ownership information.

The Council objected to the list presented by the Commission on 13 February 2019. The Commission has worked within that legal framework to address concerns expressed by the Council as regards the transparency of the process and the need to incentivise third countries and respect their right to be heard.

The key new elements of today's refined methodology for identifying high-risk third countries concern: (i) the interaction between the EU and FATF listing process; (ii) an enhanced engagement with third countries subject to the autonomous assessment; and (iii) reinforced consultation of Member States experts. The European Parliament and the Council will have access to all relevant information at the different stages of the procedures, subject to appropriate handling requirements.

### **What are the criteria used for listing a third country at EU level?**

The [4th Anti-Money Laundering Directive](#) (AMLD) sets out the technical criteria for identifying high-risk third countries. These requirements have been revised by the [5th Anti Money Laundering Directive](#) in order to provide even more robust criteria.

- Under the AMLD, the Commission takes into account strategic deficiencies of those countries, in particular in relation to the legal and institutional AML/CFT (anti-money laundering / countering the financing of terrorism) framework such as:
  - o criminalisation of money laundering and terrorist financing,
  - o customer due diligence and record keeping requirements,
  - o reporting of suspicious transactions,
  - o the availability and exchange of information on beneficial ownership of legal persons and legal arrangements;
  - o the powers and procedures of competent authorities;
  - o their practice in international cooperation;
  - o the existence of dissuasive, proportionate and effective sanctions.

As a general requirement, the effectiveness in applying those AML/CFT safeguards will be considered. When carrying out its assessment, the Commission considers relevant evaluations, assessments or reports drawn up by relevant international organisations and standard setters – in particular those issued by FATF – as well as other information sources.

### **Once the new methodology is in place, who will be consulted?**

Member State experts will be consulted at every stage of the process regarding the assessments of third country regimes, the definition of mitigating measures, third countries' implementation of "EU Benchmarks" and the preparation of the Delegated Regulation. This consultation will include specific Member State competent authorities (law enforcement, intelligence services, Financial Intelligence Units). The European Parliament will be fully involved in those consultations.

The Commission is committed to ensuring appropriate reporting to the European Parliament. Both the European Parliament and the Council will have access to all relevant information at the different stages of the procedures, subject to appropriate handling requirements.

### **How often will the list be updated?**

The EU list will be updated one month following the publication of an updated FATF list, which the Commission considers as a baseline. In addition, the Commission will identify further third countries based on its own autonomous assessment, after having engaged with those countries as set out in the refined methodology published today. The Commission will immediately identify those countries that refuse to take commitments to address their strategic deficiencies ("non-cooperative jurisdictions") or those third countries that have an overriding level of risk. Third countries taking commitments to address concerns, as part of the Commission's autonomous assessment, will benefit from a 12-month observation period. In case they do not implement those commitments within the agreed period, the

Commission will proceed with a listing.

### **How does the FATF lists interact with the EU list?**

Third countries listed by the [Financial Action Task Force \(FATF\)](#) will in principle also be listed by the EU. For countries de-listed by FATF, the Commission will assess whether the reasoning for de-listing is also sufficiently comprehensive from the EU's point of view.

With regard to EU Accession countries, the Commission may develop other mitigating measures in the context of the accession negotiations that address the identified strategic deficiencies. Accession countries could take commitments that go beyond the FATF action plans. This will be closely monitored by the Commission. This option does not apply to third countries that are not in the process of acceding to the EU.

In specific circumstances – for example, if a third country has strategic deficiencies in its anti-money laundering and countering terrorist financing regime that pose a significant threat to the EU or if certain requirements related to beneficial ownership transparency are in question – certain EU requirements can “top up” the existing FATF Action Plan.

If a third country presents a risk and is not yet subject to the FATF procedure, the Commission or Member States should flag this in FATF before considering adding this country to the EU's autonomous list.

### **What is the link between the AML listing process and the EU's list of non-cooperative tax jurisdictions?**

The EU list of non-cooperative tax jurisdictions and the EU's AML lists may overlap on some of the countries they feature, but they have different objectives, criteria, compilation processes and consequences. The EU's tax list is a Council-led process, whereas the EU's anti-money laundering (AML) list is established by the Commission based on EU anti-money laundering rules. The high-risk third country (AML) list aims to address risks to the EU's financial system caused by third countries with deficiencies in their anti-money laundering and counter-terrorist financing regimes. On the basis of this list, banks must apply higher due diligence controls to financial flows involving those high risk third countries. The anti-money laundering list is compiled by the Commission. On the other hand, the common EU list of non-cooperative tax jurisdictions addresses the external risks to Member States' tax bases, posed by third countries that do not comply with international tax good governance standards. It is managed directly by the Member States, through the Code of Conduct Group, with the support of the Commission. The Code of Conduct Group decides which jurisdictions should be listed and makes a recommendation to EU Finance Ministers, who take the final decision. Nonetheless, the two lists complement each other in ensuring a double protection for the Single Market from external risks.

### **Why does the Commission not propose a “grey list” of countries being assessed?**

Unlike the EU's list of non-cooperative tax jurisdictions, the Anti-Money Laundering Directive only provides for one single list of “high risk third countries” based on identification of strategic deficiencies in the anti-money laundering and counter terrorist financing regime in a given country. It does not provide for a “black list” or “grey list.” As a result, the Commission considers that such a “grey list” cannot be issued, as no firm conclusion would be reached on the existence of strategic deficiencies. The Commission will, however, ensure full transparency with the European Parliament and Council throughout the process of engaging, in cooperation with the European External Action Service, with third countries, so that the co-legislators can monitor progress in the implementation of this new methodology, including in the drafting of EU benchmarks and assessing their implementation within the given timeframe.

New EU list of high-risk third countries

Why is the Commission presenting a new list of high-risk third countries?

Criminals and terrorists are not sitting back during the Coronavirus pandemic. Europol has provided a recent assessment of new threats posed by criminal groups trying to take advantage of the pandemic.

The EU is committed to protecting the integrity of its financial system and preventing financial flows involving countries with strategic deficiencies in their anti-money laundering and countering terrorist financing regimes. In line with the risk-based approach, banks and other obliged entities must apply enhanced due diligence in case of financial flows to/from high-risk third countries identified in the EU list.

As defined under the 4th and 5th Anti-Money Laundering Directives, the EU has to establish a list of high-risk third countries, to make sure that the EU's financial system is equipped to prevent money laundering and terrorist financing.

The Commission issued the first such list in 2016, and updated it subsequently over the past years.



Since the adoption of the 5th Anti-Money Laundering Directive, the criteria by which a third country is assessed have been extended substantially, thereby requiring the Commission to carry out an autonomous assessment. This required an adaptation of the listing process based on a refined methodology. This also follows calls from the European Parliament to have an autonomous list. Today, the Commission has amended the list of high-risk third countries, via a Delegated Act, in order for it to be better aligned with the lists published by FATF. This update is necessary since the EU list has not reflected the latest FATF lists adopted since October 2018. Further updates will take place once the Commission has engaged with third countries subject to the EU's autonomous assessments, according to the refined methodology published today. Given the Coronavirus crisis, the date of application of today's Regulation listing third countries – and therefore applying new protective measures – only applies as of 1 October 2020. This is to ensure that all stakeholders have time to prepare appropriately. The delisting of countries, however, is not affected by this and will enter into force 20 days after publication in the Official Journal.

#### **What countries have been added to the EU list?**

The Commission took into account the latest lists issued by FATF. As a consequence, the Commission has listed 12 new countries on the EU list. Based on the FATF "Compliance documents", the Commission considers that **The Bahamas, Barbados, Botswana, Cambodia, Ghana, Jamaica, Mauritius, Mongolia, Myanmar, Nicaragua, Panama and Zimbabwe** meet the criteria set out in article 9(2) of Directive (EU) 2015/849. Those countries have expressed a high-level political commitment to implement an action plan agreed with FATF to address their strategic deficiencies. We welcome those commitments and invite those jurisdictions to implement them swiftly. Given the Coronavirus crisis, the date of application of today's Regulation listing third countries – and therefore applying new protective measures – only applies as of 1 October 2020.

#### **What countries have been removed from the EU list?**

Following progress made, the Commission has removed 6 countries from the EU list. The Commission's review concluded that Bosnia-Herzegovina, Guyana, Lao People's Democratic Republic, Ethiopia, Sri Lanka and Tunisia addressed their strategic deficiencies and should therefore be delisted. This decision will enter into force 20 days after publication in the Official Journal.

#### **What is the situation of other countries recently delisted by FATF?**

For those countries delisted by FATF since the adoption of Delegated Regulation (EU) 2016/1675, the assessment by the Commission is still ongoing (i.e., Afghanistan, Iraq, Trinidad and Tobago and Vanuatu).

Regarding Iraq and Afghanistan, the available information and the security situation in the countries did not allow the Commission to conclude, at this stage, whether they effectively addressed their strategic deficiencies. This is due in particular to the fact that those countries were delisted by FATF based on a former procedure that did not assess the effective application of AML/CFT measures. Effective application of AML/CFT measures is a criteria explicitly included in the requirements set out in the AML Directive.

Regarding Vanuatu and Trinidad and Tobago, the available information did not allow the Commission to conclude, at this stage, whether they addressed their strategic deficiencies, notably as regards the transparency of beneficial ownership, which is a specific requirement set in the AML Directive.

The Commission will review the anti-money laundering regime of those countries as a matter of priority and will engage with them as appropriate, based on the refined methodology.

#### **What is the situation of Albania with regard to its AML/CFT regime?**

The assessment of high-risk third countries is applicable to enlargement countries – which can be listed in case strategic deficiencies are identified. As set out in the methodology, the Commission can also address these issues in the framework of the accession process where the Candidate Countries are requested to fulfil a set of stringent criteria. Therefore, alternative mitigating measures can be put in place in such instances within the framework of other EU policies, as part of the enlargement policy.

In February 2020, Albania made a high-level political commitment to work with FATF and the Council of Europe to strengthen the effectiveness of its AML/CFT regime. Similarly, the Commission developed additional mitigating measures that were put in place to address key concerns. Albania expressed a high-level political commitment towards the Commission to implement further mitigating measures, notably further aligning with the EU Anti-Money Laundering Directive and putting in place registers of beneficial ownership. These commitments go beyond the action plan agreed with FATF. Therefore those mitigating measures are considered as appropriate to address risks posed to the EU financial system at this stage. This option does not apply to third countries that are not in the process of acceding to the EU.

#### **What are the consequences of the listing for financial institutions?**

Under to the 4th Anti-Money Laundering Directive, banks and other financial institutions ("obliged entities") have to apply extra checks ("enhanced customer due diligence requirements") for transactions involving high-risk third countries identified on the list.

Customer due diligence corresponds to a series of checks and measures that a bank or an obliged entity has to use in case they have suspicions of high risk of money laundering or terrorist financing. Enhanced due diligence measures include extra checks and monitoring of those transactions by banks and obliged entities in order to prevent, detect and disrupt suspicious transactions.

The Fifth Anti-Money Laundering Directive clarifies the type of enhanced vigilance to be applied, which includes obtaining additional information on the customer and on the beneficial owner or obtaining the approval of senior management for establishing a business relationship.

The listing does not entail any type of sanctions, restrictions on trade relations or impediment to development aid but requires banks and obliged entities to apply enhanced vigilance measures on transactions involving these countries.

### **What are the consequences of the listing for the financial system?**

According to the 4th AMLD, banks and other obliged entities are required to apply enhanced vigilance in transactions involving high-risk third countries (so called "enhanced customer due diligence requirements"). This is also in line with international obligations, where FATF already calls on its members to apply enhanced due diligence to high-risk jurisdictions. Those enhanced measures will lead to extra checks and monitoring of those transactions by banks and obliged entities in order to prevent, detect and disrupt suspicious transactions.

These measures do not entail any type of sanctions, restrictions trade relations or impediment to development aid but it aims to apply enhanced vigilance measures in those cases. In order to further clarify the type of enhanced vigilance to be applied, the 5th AMLD, adopted in June 2018, harmonises those enhanced measures.

### **What is the impact of the EU anti-money laundering list on EU-funded financial operations?**

The listing process does not affect EU humanitarian assistance, EU development policy or the provision of grants, procurement and budget support.

The use of EU funded financial instruments and budgetary guarantees is subject to stricter provisions in relation to anti-money laundering and countering terrorist financing. According to the EU's Financial Regulation and the European Fund for Sustainable Development Regulation, there is a prohibition against "Implementing Partners" (such as International Financial Institutions or National Promotional and Development Banks) entering into new or renewed operations with entities established in countries on the EU's list of high risk third countries, when carrying out financial operations supported by the EU budget.

There is however an exemption when the action is physically implemented in the third country in question (subject to the absence of other risk factors). That means that when an action is physically implemented in a listed jurisdiction (i.e. when the financial operation supported by the Union budget is implemented in a listed jurisdiction exclusively for the purpose of financing a project in that same jurisdiction), the Implementing Partner can still carry out financial operations with entities established in that jurisdiction with the support of the EU. Therefore, there should be no adverse effect with regard to actions physically implemented in listed jurisdictions.

### **Why will the new protective measures only apply as of 1 October 2020?**

The very exceptional and unpredictable situation arising from the Coronavirus pandemic has a global impact and is leading to significant disruption for economies and national administrations around the world. Therefore, the date of application of today's Regulation listing third countries – and therefore applying new protective measures – only applies as of 1 October 2020. This is to ensure that all stakeholders have time to prepare appropriately. The delisting of countries, however, is not affected by this and will enter into force 20 days after publication in the Official Journal.

### **Will there be any technical assistance available for the countries identified as high-risk third countries?**

The EU is committed to providing technical assistance to the countries identified as high-risk third countries. The Commission is one of the world's leading donors when it comes to providing targeted support to tackle anti-money laundering / countering terrorist financing. The Commission currently has a programme (€20 million) under the Global Facility (AML/CFT) to support countries in the world to monitor, disrupt and deny the financing of terrorism and money-laundering. The Commission aims at supporting more partners to address AML/CFT issues. This process is demand-driven – i.e. countries will have to define their needs and request technical assistance to improve their AML/CFT regimes in the framework of the external aid policy of the Commission.

## What are the next steps?

The Delegated Regulation has now been transmitted to the European Parliament and to the Council for a 1-month scrutiny period (extendable by 1 more month). If there is no objection during this period, the Delegated Regulation will be published in the Official Journal in view of its entry into force. The Commission will re-initiate its reviews under the autonomous assessment and come up with, at an appropriate time, a new autonomous list. These assessments will be subject to consultation of Member States' experts and appropriate engagement with third countries, in cooperation with the European External Action Service (EEAS), as set in the refined methodology. The European Parliament and the Council will have access to all relevant information at the different stages of the procedures, subject to appropriate handling requirements. The Commission will continue to engage in FATF in order to ensure increased synergies between the EU and the FATF listing process.

Finally, as part of the planned review of AML/CFT rules at EU level, the Commission will conduct an impact assessment and propose legislative proposals in early 2021. Input from today's open public consultation will feed into this impact assessment. The legislative proposals should ensure that risks posed by third countries are appropriately addressed.

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