

European Commission Updates List of High-Risk Third Countries

Of particular interest to: Financial institutions that operate in the European Union (EU)

In brief

On 4 December 2025, The European Commission revised its list of high-risk third countries with strategic deficiencies in their anti-money laundering and countering the financing of terrorism (AML/CFT) regimes. The EU list of high-risk third countries is set out in Delegated Regulation (EU) 2016/1675 and the updates reflect the Financial Action Task Force (FATF)'s updates to the list of '**Jurisdictions under Increased Monitoring**' also known as the 'Grey List'.

Summary

The Commission has assessed information from international bodies and concluded that **Bolivia** and the **British Virgin Islands** have strategic deficiencies in their AML/CFT regimes, and as a result are intended to be added to the list of high-risk third countries in Delegated Regulation (EU) 2016/1675.

Following their removal from the FATF's Grey List in October 2025, the Commission has reviewed the progress of **Burkina Faso, Mali, Mozambique, Nigeria, South Africa** and **Tanzania** and determined that they have improved the effectiveness of their AML/CFT frameworks, and the Commission has proposed their removal from the **EU's high-risk third country list**.

Furthermore, the Commission is proposing the addition of the **Russian Federation** to the Annex to Delegated Regulation (EU) 2016/1675 as a high-risk third country jurisdiction. It was determined that Russia does not conform with the existing categories contained within the Annex and, as such, the Commission has added a table relating to '**high-risk third countries that are not identified as being subject to calls for action or increased monitoring by the FATF, but whose membership in that international standard-setter is suspended**'.

The Addition of Russia to the list of High-Risk Third Countries with Strategic Deficiencies

In May 2020, the Commission was required to review the revised EU methodology for identifying high-risk third countries which strengthened alignment with the FATF process. Additionally, the Commission was required to assess countries which were not subject to a call for action or increased monitoring by the FATF but whose membership to the FATF was suspended and may therefore still pose a significant threat to the EU financial system, as mandated by Regulation (EU) 2025/1393. **Russia** fell under the scope of this review and the Commission discovered serious AML/CFT deficiencies including:

- A lack of independence of the Financial Intelligence Unit,
- A deterioration of beneficial ownership transparency,
- Non-compliance with FATF standards on crypto-asset regulation,

The Commission also highlighted the growing cooperation between Russia and North Korea, a jurisdiction subject to both FATF and EU lists and UN sanctions. Due to this, the Commission has concluded that Russia poses a significant money-laundering and terrorist financing risk to the EU's financial system.

Next Steps

Articles 18 and 18a of Directive (EU) 2015/849, mandate that all EU Member States must ensure that enhanced customer due diligence (ECDD) is applied when dealing with high-risk third countries. The

regulation adding **Bolivia** and the **British Virgin Islands** and removing **Burkina Faso, Mali, Mozambique, Nigeria, South Africa and Tanzania** will come into force on the twentieth day following its publication in the Official Journal of the European Union and is therefore expected **by the end of 2025**. The addition of **Russia** has now been submitted to the EU Parliament and the Council of the EU who have **one month to object**. Clients are therefore urged to update their risk assessments for exposure relating to these jurisdictions.

Useful Links

[Commission Delegated Regulation Amending Delegated Regulation \(EU\) 2016/1975 \(Additions Bolivia and the British Virgin Islands and removals of Burkina Faso, Mali, Mozambique, Nigeria, South Africa and Tanzania\)](#)

[Commission Delegated Regulation amending Annex to European Commission Delegated Regulation \(EU\) 2016/1975 \(Additions of Bolivia and the British Virgin Islands and removals of Burkina Faso, Mali, Mozambique, Nigeria, South Africa and Tanzania\)](#)

[Commission Delegated Regulation Amending Delegated Regulation \(EU\) 2016/1975 \(Addition of Russia\)](#)

[Commission Delegated Regulation Amending Annex to European Commission Delegated Regulation \(EU\) 2016/1975 \(Addition of Russia\)](#)

[FATF Jurisdictions under Increased Monitoring – 24 October 2025](#)

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