

Current list of high risk "Third Countries" with strategic deficiencies re Money Laundering and Terrorism Financing

Based on this EU regulation all obliged parties under AML law have to fulfill at least increased due diligence obligations for all countries listed in category 2

Re. countries from category 1 they have to set up **additional measures** and fulfill enhanced due diligence obligations according to § 15 Abs. 5 GwG

Re. all countries from category 3 and 4 normal customer due diligence obligations apply. They have to be supplemented on a case-by-case basis by measures reflecting the special risk.

[Enhance due diligence obligations acc. to § 15 pass. 5 GwG \(only in german\)](#)

Basis	Category	Country	Country full name	Consequences	Comment
CDR	1	Iran		High-Risk Jurisdictions subject to a Call for Action	=> Enhanced efforts to identify the ultimate beneficial owner (uBO); Each financial transaction to/from these countries affected, espec. "one of our clients"; Decision on suspicious activity report has to be executed by a member of management
		North Korea	Demokratische Volksrepublik Nordkorea		
CDR	2	Afghanistan		Jurisdictions under Increased Monitoring The following countries were currently amended according FATF recommendation: - Cameroon - Nigeria - South Africa - Vietnam The following countries were effaced compared to last version: - Cayman Islands - Jordan Countries listed below were not included from the last recommendations of the FATF: - Bulgaria / Croatia - Keniya / Namibia These countries have not been effaced although FATF has done so in its latest recommendations: - Jamaica - Panama - Barbados / Gibraltar / UAE / Uganda	=> At least enhanced customer due diligence obligations acc. to § 15 Abs 5 GwG if contracting party, uBO or other person involved comes from or has its residence in a High Risk Country or bank account from HRC is involved that means in detail: - Complete Identification of the ultimate Beneficial Owner acc. to § 11 pass. 4 Nr. 1 and 2 GWG - Company has to safeguard that subsidiaries and local branches also guarantee compliance with this measures - Obtain additional information about: - Contracting party and beneficial owner - Intended kind of business - Source of funds of the contractual partner - Source of funds of the beneficial owner - Reasons for the planned or carried out transaction - Projected usage of funds - Foundation/Continuation of business relationship needs approval from member of management - Increased monitoring of the business relationship - through more and intensified checks - through analysis of transaction types, that need further investigation - Documentation of according measures and analyses - Moreover the supervising authority can enforce additional due diligence obligations acc. To § 15 pass. 5a GwG - currently: Afghanistan - Consideration of current situation
		Barbados			
		Burkina Faso			
		Cayman Islands			
		Cameroon			
		Congo	Democratic Republic of Congo		
		Gibraltar			
		Haiti			
		Mali			
		Mozambique			
		Myanmar			
		Nigeria			
		Panama			
		Philippines			
		Senegal			
South Africa					
South Sudan					
Syria					
Tanzania					
Trinidad & Tobago					
UAE	United Arab Emirates				
Uganda					
Vanuatu					
Vietnam					
Yemen					
NRA	3	Caribic Islands	Cayman Islands, British Virgin I., Bermuda	Countries with a higher risk of money laundering - assessment through Ministry of Finance / National Risk Analysis	=> Adequate consideration of the special risks necessary => Attention: Some supervising authorities in the non-financial sector consider increased due diligence obligations necessary also for these countries!
		Channel Islands	Guernsey, Jersey, Isle of Man		
		China			
		Malta			
		Russia			
Turkey					
Cyprus					
FATF	4	Bulgaria		Additional countries, for which FATF (Financial Action Task Force) states deficits Countries below newly enclosed in FATF recommendations in 2023 and Feb 2024 (but not yet included in CDR): - Bulgaria / Croatia - Keniya / Namibia These countries have been effaced in comparison with earlier version: - Barbados / Gibraltar / Jamaica / Turkey / UAE / Uganda	=> For real estate the "GwGMeldV-Immobilien" applies! No direct to do's to consider but adequate consideration of the involved special risks (i.e. annual review of contract partner)
		Croatia			
		Keniya			
		Namibia			

Status: 17.07.2024

Basis: CDR (EU) 2016/1675 of 14th July 2016, last updated via CDR (EU) 2024/0163 of 12th December 2023
 BaFin Circular 4/2024 (GW) of 22th April 2024
 FATF Statement "Jurisdictions subject to a Call for Action" of 28th June 2024
 FATF Statement "Jurisdictions under Increased Monitoring" of 28th June 2024

[EUR-Lex - 02016R1675-202400163 - EN - EUR-Lex \(europa.eu\)](#)
[BaFin - Rundschreiben - Rundschreiben 04/2024 \(GW\)](#)
[Documents - Financial Action Task Force \(FATF\) \(fatf-gafi.org\)](#)
[Documents - Financial Action Task Force \(FATF\) \(fatf-gafi.org\)](#)



§ 15 GwG Increased customer due diligence

Pass. 2 – increased due diligence either according to own risk analysis or on a case-by-case basis by means of risk factors Annex 1/2

Pass. 3 higher risk especially if

1. Political exposed Person (PeP)
2. **Third Country** (all non-EU countries)
3. Transaction is complex, has exceptional volume or unusual structure or no commercial reason
4. Cross border correspondent relationship with banks, insurers or insurance broker with respondent (Bank, Insurer, Broker) from third country

Pass. 4 if reason is due to own risk analysis acc. to pass. 2 or PeP pass. 3.1, => **at least** increased customer due diligence obligations

- Establishment/Continuance of business relation only with approval of member of management
- Adequate measures to identify source of funds
- Increased monitoring of business relationship

Pass. 5 if acc. to Pass. 3 No. 2 Third Country => **at least** increased customer due diligence obligations

1. Obtain additional information
 - Re. Contractual party and beneficial owner
 - Re. Type of business relation
 - Information about source of funds and source of wealth of contracting party
 - Information about source of funds and source of wealth of beneficial owner
 - Information about reasons for projected transaction
 - Information about proposed usage of funds
2. Establishment/Continuance of business relation only with approval of member of management
3. Increased monitoring of business relationship via
 - Frequent and more intensive checks
 - Selection of transaction patterns that need further examination

Pass. 5a if Pass. 3 No. 2 Third Country - Supervising authorities may demand additional obligations re. customer due diligence

1. Report of financial transactions to the FIU
2. Restriction or interdiction of business relationship
3. Prohibition for third country parties to set up local branches or subsidiaries in Germany
4. Prohibition to set up local branches or subsidiaries in high risk countries
5. Obligation for local branches/subsidiaries abroad to undergo increased examination