



Plenary sitting

B9-0222/2024

17.4.2024

MOTION FOR A RESOLUTION

pursuant to Rule 111(3) of the Rules of Procedure

on the Commission delegated regulation of 14 March 2024 amending Delegated Regulation (EU) 2016/1675 as regards adding Kenya and Namibia to the table in point I of the Annex and deleting Barbados, Gibraltar, Panama, Uganda and the United Arab Emirates from that table
(C(2024)1754) – 2024/2688(DEA))

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Dragoș Pîslaru, Eva Maria Poptcheva, Ramona Strugariu

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European Parliament resolution on the Commission delegated regulation of 14 March 2024 amending Delegated Regulation (EU) 2016/1675 as regards adding Kenya and Namibia to the table in point I of the Annex and deleting Barbados, Gibraltar, Panama, Uganda and the United Arab Emirates from that table (C(2024)1754) – 2024/2688(DEA))

The European Parliament,

- having regard to the Commission delegated regulation (C(2016)07495),
 - having regard to Article 290 of 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, in particular Articles 9(2) and 64(5) thereof,
 - having regard to 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, in particular the Annex thereto,
 - having regard to the motion for a resolution by the Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to Rule 111(3) of its Rules of Procedures,
- A. whereas Commission Delegated Regulation (EU) 2016/1675, its annex and the amending Commission delegated regulation of 14 March 2024 identify high-risk third countries with strategic deficiencies as regards anti-money laundering and countering terrorist financing (AML/CTF) which represent a threat for the Union financial system and for which enhanced customer due diligence measures shall be applied by Union obliged entities under Directive (EU) 2015/849;
- B. whereas, according to the 2020 methodology for identifying high-risk third countries under Directive (EU) 2015/849, set out in Commission Staff Working Document of 7 May 2020 (the 2020 methodology), the Commission can largely rely on the assessments of third countries carried out by international bodies, such as the Financial Action Task Force (FATF), since the assessment by the FATF follows due process based on objective criteria and the specific thresholds for being listed permit identification of countries presenting very material and profound strategic deficiencies; whereas, in principle, any third country representing a risk to the international financial system, as identified by the FATF, is presumed to represent a risk to the internal market;
- C. whereas the Commission's assessment is, however, an autonomous process which has

to be carried out in a comprehensive and unbiased manner, assessing all third countries based on the same criteria that are set out in Article 9(2) of Directive (EU) 2015/849;

- D. whereas Parliament expects the Commission to conduct its own assessment attending to the specific vulnerabilities of the internal market and not to rely solely on the assessments conducted by the FATF;
- E. whereas, under the 2020 methodology, once a third country is delisted by the FATF, that third country is retained on the Union list of high-risk third countries until it has been established that that third country meets the Union criteria for removal; whereas that autonomous process implies that the delisting by the Union entails concrete assurances that that third country no longer poses a high risk to the integrity of EU internal market specifically; whereas the thoroughness of the Commission's assessment should be commensurate with the deficiencies identified, on the one hand, and the degree of exposure of the internal market to the third country particularly, on the other;
- F. whereas the United Arab Emirates (UAE) is a major global financial and trading hub which, due to its geographical position and service-based economy attracting significant trade and foreign investment, poses significant risks; whereas the UAE is an increasingly important economic partner for the Union, being the Union's main export destination and investment partner in the Middle East and North Africa region; whereas the UAE also serves as an important regional trade and logistics hub for Union operators; whereas the volume of bilateral trade between the Union and the UAE in 2022 reached EUR 49 billion, which represents a 27 % increase on annual basis, making the Union the second-largest trade partner of the UAE after China; whereas combined bilateral foreign direct investment increased to EUR 277 billion in 2021 (latest available figure), which makes the Union the largest investor in the UAE by a significant margin;
- G. whereas on 23 February 2024, the FATF removed the UAE from its list of countries under enhanced monitoring, citing significant progress by the UAE in improving its AML/CFT regime; whereas the FATF highlights the UAE's increasing exchange of information, better understanding of money laundering and terror financing risks, progress in compliance with AML/CFT rules and increasing transmission of suspicion reports and investigations, among others;
- H. whereas, on 14 March 2024, the Commission adopted a Commission delegated regulation amending Delegated Regulation (EU) 2016/1675 as regards adding Kenya and Namibia to the table in point I of the Annex and deleting Barbados, Gibraltar, Panama, Uganda and the United Arab Emirates from that table;
- I. whereas it is the view of Parliament that the list of criteria set out in Article 9(2) of Directive (EU) 2015/849 is non-exhaustive ('in particular') and that predicate offences to money laundering, such as the evasion of sanctions, may fall under these criteria and should be duly taken into account in the autonomous assessment process of the Commission;
- J. whereas there is important and recent evidence suggesting that the UAE, Gibraltar and Panama lack efforts in addressing, or even facilitate the evasion of, sanctions imposed on Russia, including targeted financial sanctions on individuals, as a response to the

Russian war of aggression against Ukraine; whereas those countries may act as platforms for circumvention of sanctions for Union entities, directly or indirectly, thus undermining the Union's efforts in stopping the Russian war machine;

- K. whereas the Treasury of the United States of America by Executive Order (E.O.) 14024 of 12 December 2023 imposed sanctions on entities based in the UAE over the shipment of technology, equipment and inputs to Russia;
- L. whereas there are credible indications that the UAE plays a significant role in cash-for-gold schemes providing Russia with millions of USD and EUR banknotes despite such exports of banknotes being banned under Council Regulation (EU) 833/2014;
- M. whereas Panama is suspected of facilitating the evasion of the G7 imposed Russian oil cap, as warned by the United States of America, the United Kingdom and the Commission in a letter of December 2023;
- N. whereas entities based in the UAE have been found by the final report, S/2024/65, of 15 January 2024 by the UN Panel of Experts on the Sudan to play a role in laundering proceeds from conflict zones such as from Sudan's gold mines, whereas those activities may violate Union sanctions on Sudanese entities provided under Council Regulation (EU) 2023/2147 concerning restrictive measures in view of activities undermining the stability and political transition of Sudan;
- O. whereas the report of the UN Panel of Experts on the Sudan reveal that entities based in UAE are involved in the supplying of arms to Sudanese entities linked to the Rapid Support Forces, in violation of the UN Security Council arms embargo and Council Implementing Regulation (EU) 2024/384;
- P. whereas, in spite of the FATF re-assessment, credible civil society organisations (CSOs) have recently highlighted outstanding deficiencies in the UAE's AML/CFT framework and lack of genuine commitment to address deficiencies in countering money laundering and financial crime;
- Q. whereas CSOs have notably decried that the UAE continues to figure among the biggest providers of financial secrecy in the world and expressed concerns with the low number of related investigations and prosecutions for financial crime offences, having in mind the UAE's risk profile, and despite high profile scandals involving in particular politically exposed persons; whereas CSOs also expressed concern regarding the UAE's continuously poor record in internal cooperation and exchange of relevant information to combat transnational financial crime;
- R. whereas improvements in the AML/CFT framework in the UAE are undeniable and very welcome, taking into consideration the elements outlined above a delisting of the UAE from the Union's list of high-risk third countries may not, however, properly ensure the protection of the integrity of the Union financial system, given the high exposure of the internal market to the UAE as a financial and trading hub; whereas a more thorough assessment of the risks and effective reforms carried out by the UAE is required before delisting the country;
- 1. Objects to the Commission delegated regulation;

2. Instructs its President to forward this resolution to the Commission and to notify it that the delegated regulation cannot enter into force;
3. Calls on the Commission to submit a new delegated act which takes account of the concerns set out above;
4. Instructs its President to forward this resolution to the Council and to the governments and parliaments of the Member States.