

The EU has added Pakistan, Saudi Arabia and Sri Lanka to a blacklist of nations as these countries are a threat to dirty terror financing and money laundering. There have been a few misconducts on the EU banks, as criticised by many countries, have worried countries including the U.S and the U.K, who are worried about their economic relations especially with Saudi Arabia. The list has also included Panama which claimed that it should be removed from the list as it has recently adopted some anti-money laundering strategies.

Despite some reputational damages, the list has complicated financial relations with the EU. The bloc's bank has to carry out some extra checks on payments now. Other countries include Libya, Ghana, Samoa, Guam, Puerto Rico. The U.S has been highly bumped the U.S and they have rejected the four of the territories who have been included in the blacklist.

EU Justice Commissioner Vera Jourova, who has proposed the list told a news conference that she is confident that the states will not block the list. She asks to further increase the list of countries from 16 to 23 fearing that the banking sectors would risk like wildfire in money laundering if organized by criminals and terrorists. However, she requests to de-list Tunisia from the blacklist.

Arabia Saudita is a major importer of merchandise and weapons from the EU and other top led UK countries. Considering this, London has opposed towards the blacklisting of Saudi Arabia. HSBC has no employees there as it had disclosed 450 million euros in 2015 but has no turnover and no employees.



The visit of the FATF delegation to Pakistan assessed the country's progress on countering money laundering and finance of terrorism. The Terrorism Financing Risk Assessment Report of Pakistan included drug trafficking, kidnapping, external funding, robberies, extortion as funding sources of terrorism in Pakistan. Pakistan told FATF that it has frozen the accounts of the Jamaatud Dawa and its welfare wing Falah-e- Insaniat Foundation. Pakistan was added to the grey list in June 2017 because of the dearth in the country's anti money laundering and countering of terrorist financing regulations.

On the list was also Sri Lanka, Tunisia and Trinidad and Tobago were on the charge of money extortions. The EU has obliged periodically to draw up a list of high risk third world countries. The Members of the European Parliament have failed to achieve the 376-vote absolute majority rejected the inclusion of Tunisia, Sri Lanka, Tobago and Trinidad in the list of non-EU countries. It said, "The vote on Wednesday reflected the split in Parliament over the issue, with 357 votes in support of the motion to 283 votes against and 26 abstentions." Also European Parliament has veto power over the blacklist which is one of the powerful tools to protect the European Union's financial system from money laundering and terrorist financing.

The inclusion of blacklist has called for tighter regulations on the checks o clients' transactions to avoid any kind of misconduct. "Europe must have the highest standards to

ensure that dirty money from other countries does not end up in our financial system”, says Jourova.

*The views and opinions expressed in this article are those of the author and do not necessarily reflect the views of The Kootneeti Team*

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