



News

High-risk third countries list amended

07 February 2024

Last month, the way high-risk third countries (HRTCs) are identified has changed. Previously, these were set out in Schedule 3ZA of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017).

Schedule 3ZA has now been deleted, and firms will have to check for themselves whether a jurisdiction is a HRTC on the Financial Action Task Force (FATF) website.

Regulation 33(3)(a) now defines HRTCs as 'a country named on either of the following lists published by (FATF) as they have effect from time to time:

- High-risk jurisdictions subject to a call for action;
- jurisdictions under increased monitoring.'

FATF's lists of these jurisdictions can be found [here \[https://www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html\]](https://www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html). This will be subject to change, up to three times per year, following FATF's Plenary sessions each February, June and October. Firms should diarise these dates as they appear on [the FATF events page \[https://www.fatf-gafi.org/en/calendars/events.html\]](https://www.fatf-gafi.org/en/calendars/events.html) and check whether the HRTC list has changed following the FATF plenary.

It is important to keep up to date with these changes as, under Regulation 33(3) and 33(3A), firms must take specified enhanced due diligence (EDD) measures when their client or counterparty is established in a HRTC.

Please also note, though, that geographic risk is not limited to HRTCs, and a country is not automatically less risky because it does not appear on either of FATF's lists. Firms should also have regard to Regulation 33(6)(c), which sets out wider geographical risk factors which should trigger EDD.

Useful links:

- [HM Treasury advisory notice. \[https://www.gov.uk/government/publications/money-laundering-advisory-notice-high-risk-third-countries--2\]](https://www.gov.uk/government/publications/money-laundering-advisory-notice-high-risk-third-countries--2)
- [Text of the statutory instrument. \[https://www.legislation.gov.uk/ukxi/2024/69/contents/made\]](https://www.legislation.gov.uk/ukxi/2024/69/contents/made)
- [FATF list of countries subject to increased monitoring. \[https://www.gov.uk/government/publications/money-laundering-advisory-notice-fatf-list-of-countries-subject-to-increased-monitoring\]](https://www.gov.uk/government/publications/money-laundering-advisory-notice-fatf-list-of-countries-subject-to-increased-monitoring)



- [high-risk-third-countries--2\]](https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-october-2023.html)
- [FATF list of countries subject to a call to action. \[https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-october-2023.html\]](https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-october-2023.html)
- [FATF events calendar, including the dates of upcoming plenary sessions. \[https://www.fatf-gafi.org/en/calendars/events.html\]](https://www.fatf-gafi.org/en/calendars/events.html)