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Answer given by Ms McGuinness
on behalf of the European Commission
(26.9.2022)

In March 2022, the Financial Action Task Force (FATF) identified the United Arab Emirates (UAE) as a jurisdiction under increased monitoring. The country made a high-level political commitment to make its Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT) regime more effective by implementing an action plan designed to address all identified deficiencies. Based on the Anti-Money Laundering Directive¹ and the methodology for identifying high-risk third countries², the Commission is analysing available information from the FATF in order to assess the amendment of the EU's list of high-risk third countries³ to add the UAE.

Since 2020, the Commission services have met with the UAE authorities on four occasions in the context of a structured dialogue to encourage the country to remedy deficiencies in its AML/CFT framework.

EU sanctions have no extraterritorial application. If there is no EU link, such as (but not limited to) the involvement of an EU operator or national of a Member State, EU sanctions have no legal bearing on transactions between Russia and the UAE. This does not mean that they can be circumvented by relocating Russian funds and economic resources to the UAE. At the political and diplomatic level, the EU is carrying out extensive outreach to encourage international partners to apply sanctions and exert restraint in their interaction with Russia due to Russia's blatant violations of international law.

¹ 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, OJ L 141, 5.6.2015, p. 73–117.

² SWD(2020) 99 final.

³ 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, OJ L 254, 20.9.2016, p. 1–4.