

2021 No. 392

FINANCIAL SERVICES

**The Money Laundering and Terrorist Financing (Amendment)
(High-Risk Countries) Regulations 2021**

Approved by both Houses of Parliament

Made - - - - 24th March 2021

Laid before Parliament 25th March 2021

Coming into force - - 26th March 2021

The Treasury, in exercise of the powers conferred by section 49 of and paragraphs 4 and 23 of Schedule 2 to the Sanctions and Anti-Money Laundering Act 2018(a), make the following Regulations.

Citation and commencement

1.—(1) These Regulations may be cited as the Money Laundering and Terrorist Financing (Amendment) (High-Risk Countries) Regulations 2021.

(2) These Regulations come into force on 26th March 2021.

Amendment of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

2.—(1) The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017(b) are amended as follows.

(2) In regulation 33 (obligation to apply enhanced customer due diligence), for paragraph (3)(a) substitute—

“(a) a “high-risk third country” means a country which is specified in Schedule 3ZA;”.

(3) In regulation 39(4) (reliance), for “a country which has been identified by the European Commission as a high-risk third country in delegated acts adopted under Article 9.2 of the fourth money laundering directive” substitute “a high-risk third country”.

(4) After Schedule 3 (relevant offences) insert—

(a) 2018 c.13. In section 49 the definition of “terrorist financing” was amended by paragraph 9 of Part 2 of Schedule 3 to the 2018 Act.

(b) S.I. 2017/692, amended by S.I. 2019/1511, 2019/253 and 2020/991. There are other amending instruments but none is relevant.

**“SCHEDULE 3ZA
High-Risk Third Countries**

Regulation 33(3)

1. Albania
2. Barbados
3. Botswana
4. Burkina Faso
5. Cambodia
6. Cayman Islands
7. Democratic People’s Republic of Korea
8. Ghana
9. Iran
10. Jamaica
11. Mauritius
12. Morocco
13. Myanmar
14. Nicaragua
15. Pakistan
16. Panama
17. Senegal
18. Syria
19. Uganda
20. Yemen
21. Zimbabwe”.

Revocation of Commission Delegated Regulation (EU) 2016/1675

3. Commission Delegated Regulation (EU) 2016/1675 of 14th July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies is revoked.

*James Morris
Rebecca Harris*

24th March 2021

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (“the MLRs”) to insert as Schedule 3ZA a new UK list of high-risk third countries for the purposes of enhanced customer due diligence requirements.

Regulation 2 substitutes for the definition of “high-risk third country” in regulation 33(3)(a) of the MLRs a definition which refers to the list of countries in this Schedule, rather than to the list in Commission Delegated Regulation (EU) 2016/1675 of 14th July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies (“the CDR”). It also makes a consequential amendment to a further reference to the CDR. Regulation 3 revokes the CDR.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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