

Appendix I

Countries and territories that are identified by reliable and independent external sources as presenting a higher risk of ML and or FT

Appendix I to this *Handbook* lists a number of countries and territories that are identified by reliable and independent external sources as presenting a higher risk of *ML* and/or *FT*. In assessing country risk, it will be relevant to take account of the number of occasions that a particular country or territory is listed by different external sources and the rationale for those listings. Where a country or territory is identified as presenting a higher risk by four, or five or more, separate external sources, it is more prominently highlighted in the appendix. Please note that source 1 identifies those countries and territories in relation to which the *FATF* has called for the application of countermeasures and therefore the firm must apply *ECDD* measures to a *business relationship* or *occasional transaction* where the *customer* or *beneficial owner* has a *relevant connection* with one of those countries or territories.

The Commission does not accept responsibility for the findings and conclusions of these sources. In addition to these sources as well as the guidance in Chapter 3 of the Handbook on countries and territories risk factors, which are not exhaustive, the firm should consider other publicly available information to check whether it should treat a particular country or territory involved in a business relationship or transaction as a country or territory presenting a higher risk of *ML* and or *FT*. The firm is expected to exercise judgement in relation to how they interpret and use these sources and to reach their own conclusions on risk.

Key:												
High risk country or territory subject to a call for action by the FATF – mandatory high risk												
Country or territory listed by five or more reliable and independent external sources												
Country or territory listed by four reliable and independent external sources												
Country/territory	FATF - strategic ML/TF deficiencies without agreed action plan in place	FATF – jurisdictions under increased monitoring	INCSR (US Department of State) – Major drug producing and transit countries	Human Trafficking – US Department of State	State sponsors of terrorism - US Treasury Country Reports on Terrorism – US Department of State	UK HM Treasury Sanctions	TRACE Bribery Risk Matrix 2019	Transparency International – Corruptions Perception Index	Worldwide Governance Indicators project	Fund for Peace/ Foreign Policy magazine – Fragile States Index (Alert level)	OECD – jurisdictions that have yet to implement agreed tax standards	Global Terrorism Index 2019
	Source:1	Source:2	Source:3	Source:4	Source:5	Source:6	Source:7	Source:8	Source:9	Source:10	Source:11	Source:12
Afghanistan			✓		✓	✓	✓	✓	✓	✓		✓
Albania		✓										
Algeria							✓		✓			
Angola							✓	✓	✓	✓		

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Argentina			✓									
Aruba							✓					
Azerbaijan								✓	✓			
The Bahamas		✓										
Bangladesh							✓	✓	✓	✓		
Barbados		✓										
Belarus				✓		✓	✓		✓			
Belize							✓		✓			
Benin							✓		✓			
Bhutan				✓								
Bolivia							✓		✓			
Bosnia and Herzegovina							✓		✓			
Botswana		✓										
Brunei							✓				✓	
Burkina Faso									✓			
Burundi				✓		✓	✓	✓	✓	✓		
Cambodia		✓					✓	✓	✓			
Cameroon							✓	✓	✓	✓		✓
Central African Republic						✓	✓	✓	✓	✓		✓
Chad							✓	✓	✓	✓		

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China				✓			✓					
Colombia			✓		✓							
Comoros				✓			✓	✓	✓			
Congo, Democratic Republic of				✓		✓	✓	✓	✓	✓		
Congo Republic							✓	✓	✓	✓		✓
Costa Rica			✓									
Cote d’Ivoire							✓		✓	✓		
Cuba				✓			✓		✓			
Djibouti							✓	✓	✓			
Dominican Republic			✓				✓	✓				
East Timor							✓					
Ecuador			✓				✓		✓			
Egypt					✓	✓	✓	✓	✓	✓		✓
El Salvador			✓				✓		✓			
Equatorial Guinea				✓			✓	✓	✓			
Eritrea				✓			✓	✓	✓	✓		
Eswatini (Swaziland)							✓		✓			
Ethiopia							✓		✓	✓		
Gabon							✓		✓			

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Gambia				✓			✓		✓			
Ghana		✓										
Guatemala			✓				✓	✓	✓			
Guinea						✓	✓	✓	✓	✓		
Guinea Bissau						✓	✓	✓	✓	✓		
Guyana			✓				✓					
Haiti						✓	✓	✓	✓	✓		
Honduras			✓				✓	✓	✓			
Iceland		✓										
India												✓
Iran	✓			✓	✓	✓	✓	✓	✓			
Iraq					✓	✓	✓	✓	✓	✓		✓
Jamaica		✓										
Kazakhstan							✓					
Kenya			✓					✓	✓	✓		
Korea (North)	✓			✓	✓	✓	✓	✓	✓	✓		

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Kosovo									✓			
Kuwait							✓					
Kribati							✓					
Kyrgyz Republic (Kyrgyzstan)							✓	✓	✓			
Lao PDR ¹							✓	✓	✓			
Lebanon					✓	✓	✓	✓	✓			
Lesotho							✓		✓			
Liberia							✓	✓	✓	✓		
Libya				✓	✓	✓	✓	✓	✓	✓		✓
Madagascar							✓	✓	✓			
Malawi							✓		✓			
Maldives							✓	✓	✓			
Mali						✓	✓	✓	✓	✓		✓
Mauritania				✓			✓	✓	✓	✓		
Mauritius		✓										
Mexico			✓				✓	✓	✓			
Moldova							✓		✓			
Mongolia		✓					✓					

¹ Lao PDR called Laos in earlier years.

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Morocco							✓					
Mozambique							✓	✓	✓	✓		
Myanmar (Burma)		✓		✓		✓	✓	✓	✓	✓		
Nepal							✓		✓			
Nicaragua		✓				✓	✓	✓	✓			
Niger							✓		✓	✓		
Nigeria			✓				✓	✓	✓	✓		✓
Pakistan		✓	✓		✓		✓		✓	✓		✓
Panama		✓	✓									
Papua New Guinea				✓			✓	✓	✓			
Paraguay			✓				✓	✓	✓			
Peru			✓									
Philippines			✓									✓
Russia			✓	✓			✓	✓	✓			
Rwanda										✓		
Saudi Arabia				✓								
Sao Tome and Principe							✓					

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Sierra Leone							✓		✓	✓		
Sint Maartin											✓	
Solomon Islands							✓					
Somalia				✓	✓	✓	✓	✓	✓	✓		✓
Sri Lanka							✓					
South Sudan				✓		✓	✓	✓	✓	✓		✓
Sudan					✓	✓	✓	✓	✓	✓		
Suriname							✓					
Syria		✓		✓	✓	✓	✓	✓	✓	✓		✓
Tajikistan							✓	✓	✓			
Tanzania							✓		✓			
Thailand												✓
Timor-Leste									✓			
Togo							✓	✓	✓	✓		
Trinidad & Tobago							✓				✓	
Tunisia						✓						
Turkey						✓	✓		✓			✓
Turkmenistan				✓			✓	✓	✓			
Uganda		✓					✓	✓	✓	✓		

Country/territory/Area	FATF - strategic ML/TF deficiencies without agreed action plan in place	FATF – jurisdictions under increased monitoring	INCSR (US Department of State) – Major drug producing and transit countries	Human Trafficking – US Department of State	State sponsors of terrorism - US Treasury Country Reports on Terrorism – US Department of State	UK HM Treasury Sanctions	TRACE Bribery Risk Matrix 2019	Transparency International – Corruptions Perception Index	Worldwide Governance Indicators project	Fund for Peace/ Foreign Policy magazine – Fragile States Index (Alert level)	OECD – jurisdictions that have yet to implement agreed tax standards	Global Terrorism Index 2019
Ukraine						✓	✓	✓	✓			
Uzbekistan							✓	✓	✓			
Venezuela			✓	✓	✓	✓	✓	✓	✓	✓		
Vietnam			✓				✓					
Yemen		✓		✓	✓	✓	✓	✓	✓	✓		✓
Zambia							✓		✓	✓		
Zimbabwe		✓				✓	✓	✓	✓	✓		

The Lake Chad Region					✓							
The Trans-Sahara					✓							
The Southern Philippines					✓							
The Sulu/ Sulawesi Seas Littoral					✓							
West Bank and Gaza									✓			

Reliable and Independent External Sources

- 1 Financial Action Task Force: statement (21 February 2020 – <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-february-2020.html>)
- 2 Financial Action Task Force: jurisdictions under increased monitoring (21 February 2020) – <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-february-2020.html>
- 3 United States Department of State: International Narcotics Strategy Report of March 2020 – countries where proceeds from drug trafficking significantly affects the U.S.A. <https://www.state.gov/wp-content/uploads/2020/03/Tab-2-INCSR-Vol-2-508.pdf>
- 4 United States Department of State: Trafficking in Persons Report (June 2019) – Tier 3: countries that do not fully comply with minimum standards and are not making significant effort to do so and special cases - <https://www.state.gov/reports/2019-trafficking-in-persons-report/>
- 5 United States Department of the Treasury: Terrorist Assets Report (2018) - <https://www.treasury.gov/resource-center/sanctions/Programs/Documents/tar2018.pdf>; and United States Department of State: Country Reports on Terrorism 2018 (October 2019) - <https://www.state.gov/reports/country-reports-on-terrorism-2018/>
- 6 United Kingdom’s HM Treasury <https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>
- 7 TRACE Bribery Risk Matrix 2019 – countries with a score of 55 or more - <https://www.traceinternational.org/trace-matrix>
- 8 Transparency International: corruption perceptions index (2019) – countries with a score of 30 or less https://www.transparency.org/whatwedo/pub/corruption_perceptions_index_2019
- 9 Worldwide Governance Indicators project (2019 Update) – countries scoring an average of 40 per cent or less – across all areas assessed (voice and accountability, political stability (no violence), government effectiveness, regulatory quality, rule of law, and control of corruption) - <http://info.worldbank.org/governance/wgi/#home>
- 10 United States think-tank: Fund for Peace/ Foreign Policy magazine: Fragile States Index (2019) - bottom 40 countries - <https://fundforpeace.org/what-we-do/country-risk-and-fragility-data/>
- 11 OECD: Global Forum on Transparency and Exchange of Information for Tax Purposes – countries that have not exchanged information because their legal implementation is ongoing <http://www.oecd.org/tax/transparency/aeoi-implementation-report-2019.pdf>
- 12 Global Terrorism Index 2019: Countries where the impact of terrorism is rated as being very high or high <http://visionofhumanity.org/app/uploads/2019/11/GTI-2019web.pdf>