

Honourable Members,

Transparency International EU and The Sentry call on the coordinators of the ECON and LIBE Committees to object to the Commission's proposal to remove the United Arab Emirates (UAE) from the EU [list](#) of high-risk third countries.

The EU added the UAE to its list of third countries with strategic deficiencies in their anti-money laundering/countering financing of terrorism (AML/CFT) regimes merely one year ago. This followed the country's "grey-listing" by the Financial Action Task Force (FATF) in 2022, on the heels of the [2020 Mutual Evaluation Report](#), which pointed out that law enforcement agencies were not consistently identifying significant money laundering cases in line with the UAE's risk profile. It further expressed concern regarding the low number of related prosecutions in the UAE, among other issues. The country's designation by the FATF and the EU did not come as a surprise, considering that the UAE often appear in international [corruption scandals](#), feature among the top most secretive jurisdictions on the [Financial Secrecy Index](#), and evidence suggests they continue to play an important role in laundering dirty money from conflict zones such as [from Sudan's gold mines](#) controlled by militias, as well as helping Russia [obtain cash for gold](#).

Following the country's designation by the FATF and the EU, the UAE have taken considerable steps to improve their legislative framework. However, it is too early to assess the impact of these reforms. Notably, there is no substantial evidence available to suggest that the country has sufficiently improved on enforcement. There are also no indications that any action has been taken by the UAE authorities to investigate cases previously uncovered by investigative journalists and civil society.

Last year, reports began emerging that the UAE representatives were [lobbying FATF members](#) for the country to be delisted as soon as possible. Concerned with these reports, Transparency International wrote a letter to the FATF President and Heads of Delegation (enclosed), outlining why the country should remain under increased monitoring. [Controversially](#), in February 2024, the FATF [decided to remove](#) the UAE from its "grey list".

While we recognise the UAE's commitments, we firmly believe that the country should have remained under FATF's increased monitoring ("grey listed") until the previously identified strategic deficiencies were sufficiently addressed in both legislation and practice – from ensuring adequate beneficial ownership disclosure, to supervision of gatekeepers in the non-financial sector. The EU now has an opportunity to constructively engage with the UAE on these and other issues, in line with the [Commission's methodology](#), by keeping the UAE on its list. We therefore believe that the European Parliament should use its power to object to the proposed amendment of the delegated act.

Thank you for considering this action to protect the EU's financial and economic system and improve the fight against dirty money beyond the EU's borders.

Yours sincerely,

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