



## **PANAMA IS REMOVED FROM THE EUROPEAN UNION'S LIST AS HIGH-RISK COUNTRIES**

Panama, March 14, 2024. In a significant decision for the Republic of Panama, which undoubtedly has positive effects to the country's economy, the Commission of the European Union has announced the removal of Panama from the European Union's high-risk list countries for strategic deficiencies in the prevention of money laundering and terrorist financing.

Subsequent to reviewing the progress made by the country in preventing money laundering and combating the terrorism financing to rectify the strategic deficiencies in this area, the Commission welcomed the significant progress presented by Panama's technical team in improving its anti-money laundering and terrorism financing regime.

Among them, it was noted that not only did the country strengthen the legal and regulatory framework to comply with the commitments of the strategic action plan of deficiencies identified by the Financial Action Task Force (FATF), but also implemented important mechanisms that demonstrated the effectiveness of the measures adopted.

The country's exclusion from this list follows a process initiated in October 2020, in which important measures have been implemented to combat these issues.

The announcement made today, Thursday, by the European Commission, by which it amends, by annex, the Delegated Regulation (EU) 2016/1675, will be effective twenty days after its publication in the Official European Union Journal enabling the country to take an important step in the face of international transparency.

On October 27, 2023, Panama was excluded from the FATF gray list, so that today it is not currently under the enhanced monitoring process by the FATF in the context of its current global process of compliance in the fight against money laundering and terrorist financing. In this matter, Panama has reiterated that it will continue working with the Financial Action Task Force of Latin America (GAFILAT) to further strengthen its regime and remain at the forefront in terms of the sustainability evidenced as a result of compliance with the action plan.

As part of the actions deployed for the exclusion from this list, the following stand out: the modification of the AML/CFT (Prevention of Money Laundering and Terrorist Financing) regulation, the adoption of the Unique Registry of Beneficial Owners, by Law 129 of 2020 and the Beneficial Owners Guide issued, which has strengthened the knowledge of the obligated parties.

The recognition of action plan by the international organizations of the actions implemented by Panama, has a positive impact on multiple aspects of the panamanian economy, since it improves the international image of the country and recognizes the application of high standards in transparency, facilitating the international economic and financial relations.



With the removal from these lists, Panama not only demonstrates its leadership in the national and international commitment to the fight against money laundering and the financing of terrorism, but also maintains the effective and timely development of tangible actions that allow the jurisdiction to maintain a competitive position in the international financial community.

This accomplishment is the result of the joint work between the National Coordination of Panama in the prevention of money laundering and financing of terrorism, led by the Ministry of Economy and Finance (MEF), together with the competent authorities, the private sector and the international community.

The Panama's Minister of Economy and Finance, Mr. Héctor Alexander, the director of International Financial and Tax Strategy of the MEF, Panama's AML/CFT national coordinator and technical secretary of the National Commission against Money Laundering, Financing of Terrorism and Financing the Proliferation of Weapons of Mass Destruction (CNBC), Isabel Vecchio Arófulo, and Panama's ambassador to the European Union Yavel Francis, participated in technical meetings with the team of the General Directorate of Financial Stability, Financial Services and Capital Markets Union, the European Commission Department responsible for EU policy on financial services, resulting in this important accomplishment.