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Federal Democratic Republic of Ethiopia  
**OFFICE OF THE PRIME MINISTER**

## **Statement on the European Commission’s listing of third countries with weak anti-money laundering and terrorist financing regimes**

Since 2018, the new administration of the Government of Ethiopia (GoE) is taking important steps to effectively prevent money laundering and terrorist financing. Reaffirming its commitment to fully address this challenge, the Government has introduced sweeping changes to the financial and judicial systems to respond to strategic deficiencies, especially evident due to Ethiopia’s geopolitical position in the Horn. Ethiopia is vulnerable to bank frauds, cyber-crime and money laundering effectuated by transnational criminals. Therefore, the new administration of the GoE has been strictly controlling and monitoring informal value transfer networks and operations, and has implemented stringent financial sanctions against perpetrators.

The Government has also enhanced international cooperation with the European Union and other member state countries in strengthening the competence of relevant authorities such as the Financial Intelligence Center (FIC), the Ministry of Finance and Economic Cooperation (MoFEC) and, the Attorney General Office (AG). The Government is also increasing the reporting of suspicious transactions to relevant international bodies as needed.

Bearing these activities in mind, we urge the European Commission to consider removing Ethiopia from the list of “high-risk third countries” taking into account corrective measures that have been implemented; our proven commitment to combat terrorism and money laundering; and the limitations of the report in the first place.

Ethiopia is cognizant of the seriousness of the European Commission report and is committed to fighting against money laundering and terrorism financing on its home front. At the same time, Ethiopia would like to challenge the report in its limitation to name jurisdictions that are directly and indirectly playing a role in fostering illegal trends by creating a safe haven for perpetrators. A good case in point is Africa’s annual loss in the billions due to corruption and money laundering. Most of this money does not stay within the continent; it is rather deposited in offshore accounts or illegally invested in properties all over the world. Locating and recovering these funds is near to impossible for most of us, making the fight against corruption and money laundering harder than ever.

Investigating and calling out these countries that facilitate these corrupt pathways from Africa and other nations is a very crucial and timely task for the European Commission to undertake. Holding

all wrongdoers equally accountable not only sets an example for other international institutions but also increases the credibility of the European Commission report.

Hence, we would like to call upon the European Commission to take the lead in organizing efforts to combat corruption, money laundering, and terrorism financing by taking a stand on unfair practices used by financial institutions globally. There are international efforts that are assisting African countries to recover and return stolen funds and transactions that support terrorism. However, these efforts are too early to bear meaningful results and have a long way to go. Many Western financial centers and governments are yet to join these efforts.

The Ethiopian Government would like to express its commitment to work with the European Commission in being vigilant to uphold the integrity of our financial systems. We also call upon the European Commission to call out, monitor and hold accountable, various jurisdictions that have immensely significant economic ties with the European Commission and with potentially negative systemic effects on our global financial systems.

Therefore, we urgently call upon the EU commission to review the “high-risk third countries” listing.

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