

Money laundering: blacklisting Russia

Alexander Seger, 5 December 2025

The European Union, on 3 December 2025, added Russia to its list of high-risk countries with strategic deficiencies in their anti-money laundering and counter-terrorist financing frameworks (AML/CFT). ([EU Press Release](#))

This will make financial transactions between Russia and European Union member States more complex, since financial institutions will be required to strengthen their due diligence procedures. Financial institutions in some other States may also exercise caution in order to mitigate risks.

Blacklisting also by the Financial Action Task Force (FATF) would enhance global effects. However, while the FATF had suspended Russian membership in March 2023, it has failed so far to put Russia on its NCCT list of non-cooperating countries or territories, reportedly because of resistance by BRICS members China, India and South Africa, among others. ([Reuters Russia FATF](#))

Flashback to July 2002:

In 2002, Russia was on the FATF blacklist and also found non-compliant with Council of Europe anti-money laundering standards. ([MONEYVAL Russia reports](#))

In July that year, I was holding a Council of Europe workshop in Moscow to discuss steps that could be taken by the Russian authorities to address these short-comings and to plan for a multi-year capacity building programme with

European Union funding to assist Russia's efforts against money laundering.

At the time, an inter-ministerial committee led by the Ministry of Interior served as a sort of Russian financial intelligence unit (FIU). However, a new Federal Committee of Financial Monitoring (KFM) had just been created by decree as Russia's FIU. After the speakers of the Ministry of Interior had outlined their plans for the coming years, I asked the representatives of this KFM to introduce themselves. They dryly commented that "President Putin yesterday disbanded the inter-ministerial committee and we are now in charge".

The workshop resulted in the "MOLI-RU" project that facilitated the creation of the Russian anti-money laundering system, and lasted – over several phases – from 2003 to 2012.

(I also launched "MOLI" sister projects in Ukraine, Macedonia and Serbia. "MOLI" because of "money laundering" and a Thin Lizzy song ("Whiskey in the Jar") where a woman runs away with the criminal proceeds of an offender.)

The "commitment" by the Russian authorities during the MOLI-RU project was extra-ordinary. Within two years or so, the KFM (in March 2004, renamed Federal Service for Financial Monitoring, "ROSFINMONITORING") had more than 700 staff in Moscow and branches in the seven federal districts.

And high-powered persons were put in charge. Heading the FIU, and thus my main counterpart, was Viktor Zubkov (from St Petersburg, obviously). Four years into the project, in May 2007, he informed me that he would step down as he had reached the age of retirement, but assured me that he could still give a helping hand if necessary. Four months later, in September 2007, Putin made him prime minister of Russia. When Putin assumed that role in May 2008, Zubkov became his first deputy prime minister. He is still chairman of the board of directors of GAZPROM.

Since 2012 (when Putin returned to the presidency), ROSFINMONITORING is directly subordinated to the president of Russia.

In the 2000s, we were optimistic that Russia would become a stable democracy respecting human rights and the rule of law.

In retrospect, we were highly naïve.

Years later we know better: Russia's "commitment" to the creation of an anti-money laundering system was largely due to the usefulness of this system for the exercise of control over people and organizations via the monitoring and control of their financial assets and transactions.

Russia's AML system is part of the "roof" ("krysha") provided by a political regime that is functioning like a criminal enterprise. Those that comply with the regime are protected, irrespective of whether or not they engage in money laundering. Those that don't are put on a list of terrorists and extremists, are criminalized, are prevented from using financial services and have their assets targeted, whether or not they engage in money laundering.

(I have made similar observations with regard to cybercrime and remain concerned that the money laundering and asset seizure provisions of the Hanoi Convention will be misused by the Russian regime ([See JustSecurity](#). See also: [The Character of the Russian Regime](#))

One of the functions of ROSFINMONITORING is the compilation of a list of organizations and individuals considered to be involved in extremist activities or terrorism. The Russian regime explains such measures as necessary to meet international AML/CFT obligations.

De facto, the functional reason for this list is to integrate anti-money laundering and countering extremism into a system of political control. Russian law defines "extremism" very broadly (covering also "discrediting the armed forces", criticism of state authorities, etc.) in order to target opposition politicians, journalists, civil society organizations and many others rather than terrorists. Once on the list, the freezing of bank accounts and other financial sanctions are available as tools of repression.

By November 2025, the register reportedly included more than 19,000 individuals and over 820 organizations. A steep increase in politically-motivated entries followed the start of Russia's full war of aggression against Ukraine in February 2022. In 2024 alone, 3165 individuals were reportedly added.

The crime novelist Boris Akunin (Grigory Chkhartishvil) was added in 2023; the Anti-Corruption Foundation (ACF/FBK) in November 2025; and Alexey Navalny remained on the list even after he had been killed. The platform META was included in October 2022. In October 2025, numerous journalists and opposition politicians and activists were added (Vladimir

Kara-Murza, Ilya Yashin among them). In November 2025, Mikhail Khodorkovsky (former oligarch and now dissident), Dmitry Gudko (opposition politician) and many others were put on the list.

In short, the blacklist serves to disable political opponents, suppress civil society, punish dissent, enforce state narratives, stigmatize independent NGOs and media, and extend repression into the financial system.

Coming back to the evaluation of compliance with AML/CFT standards by the Financial Action Task Force and FATF-style regional bodies such as MONEYVAL. “Grey-” or “blacklisting” of a country follows evaluations. The mutual evaluation methodology applied by these bodies is focusing strictly on the technical and legal compliance with and effectiveness of a set of recommendations and standards. From this perspective, the Russian AML/CFT system is ticking most of the boxes (recommendations) as “largely compliant”. ([FAFT Russia report](#))

The political misuse and weaponization of an AML/CFT system by governments is only covered indirectly, if at all, by such evaluations. The problem is known. In 2021, a new workstream was introduced by the FATF on [Mitigating Unintended Consequences](#) to address the overregulation and penalizing of non-profit organizations. The updated “Guidance on Financial Inclusion” (of 2025) to some extent provides a normative basis to address blanked exclusions of organizations from the financial system for political reasons. ([FAFT Guidance](#))

However, technical changes to some aspects of the evaluation methodology are unlikely to address cases like Russia, where the AML/CFT system on the one hand has become a core part of

the repressive architecture of the regime, while being considered largely compliant with international standards - and thus legitimate – at the same time.

Blacklisting Russia by the EU is an important signal. The FATF should follow suit if it wants to remain credible.

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