

Sovereign Stigma Without Price Stigma: FATF Grey-Listing and the Cost of Sending Remittances

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Abstract

Placement on the FATF grey list is widely believed to raise remittance costs by triggering de-risking of correspondent banking relationships. I test this claim using corridor-level data from the World Bank Remittance Prices Worldwide database, covering 378 corridors across 111 receiving countries from 2011 to 2025. Exploiting staggered grey-listing across 24 treatment cohorts in a Callaway-Sant'Anna difference-in-differences framework, I find no statistically significant effect on remittance costs (ATT = 0.16 percentage points, SE = 0.29). The null holds for banks and money transfer operators separately, for the exchange rate margin, and for provider counts on the extensive margin. These results challenge the prevailing narrative that FATF grey-listing imposes a regressive tax on diaspora families through higher transfer costs.

JEL Codes: F24, G28, O16, F38

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1. Introduction

Every year, migrants send over \$650 billion to families in low- and middle-income countries, often paying 5–10% of the amount in fees and exchange rate markups (World Bank, 2024). For the one billion people in developing countries who receive these transfers, the cost of remittances functions as a tax on consumption, education, and healthcare. The UN Sustainable Development Goals target a maximum cost of 3% by 2030, yet 56 quarters into the SDG era, the global average remains stuck near 6.4%.

A common explanation for persistently high costs is “de-risking” — the withdrawal of global banks from correspondent relationships with financial institutions in countries perceived as high-risk for money laundering. The FATF grey list, formally titled “Jurisdictions under Increased Monitoring,” publicly identifies countries with strategic deficiencies in their anti-money-laundering (AML) and counter-terrorism financing (CTF) frameworks. Since 2010, 114 countries have been placed on this list, and the claim that grey-listing raises remittance costs has been central to policy debates about FATF reform (Collin et al., 2016; Kida and Paetzold, 2021; Financial Stability Board, 2018).

This paper tests that claim directly. I use the World Bank’s Remittance Prices Worldwide (RPW) database — the most comprehensive public source of corridor-level remittance pricing — to construct a panel of 378 sending-receiving country corridors observed quarterly from 2011 to 2025. I merge this with the complete history of FATF grey-list placements and removals, creating a dataset of 16,849 corridor-quarter observations. The staggered timing of grey-listing across 24 treatment cohorts provides rich variation for identification.

I estimate the causal effect of grey-listing using the Callaway and Sant’Anna (2021) staggered difference-in-differences estimator, which is robust to treatment-effect heterogeneity that can bias conventional two-way fixed effects (TWFE) estimates in staggered settings (Goodman-Bacon, 2021; de Chaisemartin and D’Haultfœuille, 2020). My preferred specification compares corridors whose receiving countries enter the grey list to corridors whose receiving countries are never listed, using a doubly robust estimator with corridor and time fixed effects.

The main finding is a null: FATF grey-listing does not significantly raise remittance costs. The aggregate average treatment effect on the treated (ATT) is 0.16 percentage points with a standard error of 0.29, and the 95% confidence interval of $[-0.40, 0.72]$ rules out economically large effects. An event study with eight pre-treatment quarters shows no evidence of differential pre-trends. The result is robust to using not-yet-treated corridors as controls (ATT = 0.20, SE = 0.29), conventional TWFE with source-country \times quarter fixed effects ($\hat{\beta} = -0.14$, SE = 0.13), and restricting the sample to bank or money-transfer-operator

(MTO) channels separately.

Three additional tests strengthen the null. First, a sending-country placebo — testing whether grey-listing the *sending* country affects costs — yields a precisely estimated zero (0.12, SE = 0.59), confirming that the identification strategy does not capture spurious sender-side shocks. Second, grey-listing has no detectable effect on the number of remittance providers in a corridor (-0.01 , SE = 0.02 in logs), challenging the “provider exit” mechanism that is supposed to drive higher prices. Third, delisting — removal from the grey list — also has no effect on costs (0.004, SE = 0.18), consistent with the absence of an entry effect.

These results contribute to an active debate about whether and how AML regulation affects financial inclusion. [Collin et al. \(2016\)](#) used proprietary SWIFT data to document that countries experiencing de-risking saw declines in correspondent banking relationships, but could not observe consumer prices. [Kida and Paetzold \(2021\)](#) estimated aggregate capital flow effects of grey-listing using LASSO methods, but worked at the country level without corridor-specific pricing. [Financial Stability Board \(2018\)](#) surveyed banks about de-risking but acknowledged that the consumer price implications were unknown. [Erbenová et al. \(2016\)](#) documented the withdrawal of correspondent banking relationships as a systemic risk but did not trace the retail price implications. My contribution is to bring the first corridor-level, publicly replicable test with modern heterogeneity-robust methods. The answer is that the *retail price* channel — the most politically salient argument for FATF reform — does not operate as assumed. This does not rule out wholesale financial disruption: grey-listing may reduce correspondent banking claims even as consumer remittance prices remain stable, a distinction that matters for calibrating policy responses.

Why might grey-listing fail to raise remittance costs? I offer three candidate explanations. First, the remittance market is dominated by MTOs like Western Union and MoneyGram, which use their own proprietary networks rather than the correspondent banking infrastructure that FATF grey-listing most directly disrupts ([World Bank, 2024](#)). Second, mobile money platforms — which have expanded rapidly since 2015 — provide an alternative channel that is largely insulated from bank-level de-risking ([GSMA, 2023](#)). Third, remittance pricing is highly competitive and transparent, with the World Bank database itself serving as a comparison-shopping tool, which may limit firms’ ability to pass through compliance costs ([Beck et al., 2018](#)).

The paper is organized as follows. Section 2 describes the FATF institutional setting. Section 3 presents the data. Section 4 lays out the empirical strategy. Section 5 reports the results, including mechanism tests and robustness checks. Section 6 discusses implications.

2. Institutional Background

The FATF grey list. The Financial Action Task Force (FATF), an intergovernmental body headquartered at the OECD in Paris, sets global standards for anti-money-laundering and counter-terrorism financing. It evaluates member and non-member countries through a mutual evaluation process and, since 2010, has published a list of “Jurisdictions under Increased Monitoring” — colloquially known as the grey list. Countries are added to the grey list when a mutual evaluation or follow-up review identifies strategic deficiencies in their AML/CTF framework that they have committed to addressing. Placement is decided at FATF plenaries held three times per year, typically in February, June, and October, creating sharp treatment timing.

De-risking and remittance costs. Grey-listing is not itself a legal prohibition on financial transactions. Rather, it signals to global banks that enhanced due diligence is warranted when transacting with institutions in listed countries. In practice, many international banks respond by terminating correspondent banking relationships altogether — a practice known as “de-risking” ([Financial Stability Board, 2018](#)). The hypothesized transmission to remittance costs runs through two channels: (i) reduced competition as banks exit corridors to grey-listed countries, enabling remaining providers to charge higher markups; and (ii) higher compliance costs for remaining providers, passed through to consumers ([Collin et al., 2016](#)).

Scale and scope. Between 2010 and 2025, 114 countries have been placed on the FATF grey list, with 86 subsequently removed. The median grey-listing episode lasts approximately 2.5 years. The geographical coverage is broad: listed countries span Sub-Saharan Africa (e.g., Nigeria, South Africa, Tanzania), South Asia (Pakistan, Bangladesh, Sri Lanka), Southeast Asia (Cambodia, Myanmar, Philippines), the Caribbean (Jamaica, Barbados, Trinidad and Tobago), and Eastern Europe (Albania, Croatia, Bosnia and Herzegovina). This diversity provides variation across income levels, remittance corridor characteristics, and financial market structures.

3. Data

Remittance prices. The primary outcome data come from the World Bank’s Remittance Prices Worldwide (RPW) database, which collects quarterly price quotes from remittance service providers in major corridors worldwide ([World Bank, 2024](#)). The RPW records the total cost of sending a fixed amount (USD 200) through each provider in each corridor, decomposed into transfer fees and exchange rate margins. I aggregate the 247,490 firm-level

observations to the corridor-quarter level, computing the average total cost across all providers in each corridor. The resulting panel covers 378 unique corridors (49 sending countries \times 111 receiving countries) observed over 53 quarters from 2011Q1 to 2025Q1.

FATF grey-list status. I compile the complete history of grey-list placements and removals from FATF plenary statements, available at fatf-gafi.org. This yields 74 distinct grey-listing episodes across 63 countries. For each receiving country in each quarter, I construct a binary indicator equal to one if the country is on the grey list. Of the 16,849 corridor-quarter observations, 2,286 (13.6%) have a grey-listed receiving country.

Remittance volumes. To assess remittance dependence, I use the World Development Indicators (WDI) series on personal remittances received as a share of GDP. This allows me to split the sample into high- and low-remittance-dependence destinations.

3.1 Summary Statistics

Table 1: Summary Statistics: Remittance Corridor Panel

Variable	Full Sample		Grey-Listed		Not Listed	
	Mean	SD	Mean	SD	Mean	SD
Total cost (% of \$200)	7.35	3.94	7.36	4.23	7.35	3.89
FX margin (%)	2.12	1.91	2.33	2.74	2.08	1.74
Providers per corridor	8.4	4.0	7.8	3.6	8.5	4.0
Grey-listed (%)	13.6					
Corridor-quarters	16,849		2,286		14,563	
Unique corridors	378					
Sending countries	49					
Receiving countries	111					
Quarters	53					

Notes: Panel of corridor-quarter averages, 2011Q1–2025Q1. Total cost is the average percentage cost of sending \$200 through all providers in the corridor, from the World Bank Remittance Prices Worldwide database. FX margin is the exchange rate markup charged by providers. Grey-listed indicates the receiving country was on the FATF “Jurisdictions under Increased Monitoring” list during that quarter. Provider count is the number of distinct remittance service providers observed in the corridor-quarter.

4. Empirical Strategy

4.1 Identification

I exploit the staggered timing of FATF grey-list placements across receiving countries to identify the effect on remittance costs. The key identification assumption is that, conditional on corridor and time fixed effects, remittance cost trends in corridors to grey-listed countries would have paralleled those in corridors to non-listed countries absent the grey-listing. This assumption is supported by three features of the setting.

First, FATF grey-listing decisions are driven by the internal mutual evaluation cycle and reflect technical compliance assessments, not the economic conditions of the receiving country. The timing of listing is determined by when a country’s evaluation is scheduled and when

deficiencies are identified, creating plausibly exogenous variation in treatment timing (Kida and Paetzold, 2021).

Second, the event study in Table 3 shows no individually significant pre-treatment coefficients across eight pre-treatment quarters, consistent with parallel trends in the pre-period.

Third, a sending-country placebo confirms that the estimates are not driven by secular trends in corridors involving countries that are generally subject to international scrutiny. Grey-listing of the sending country has no effect on remittance costs (0.12, SE = 0.59; Table 4, Panel A).

4.2 Estimation

My preferred estimator is the Callaway and Sant’Anna (2021) staggered difference-in-differences, which computes group-time average treatment effects $ATT(g, t)$ for each treatment cohort g and calendar period t , then aggregates to an overall ATT. I use doubly robust estimation with the inverse probability weighting estimator of Sant’Anna and Zhao (2020), which combines outcome regression and propensity score weighting to achieve consistency if either model is correctly specified. The control group consists of never-listed corridors. I also report results using not-yet-treated corridors as controls and conventional TWFE specifications as robustness checks.

For the dynamic specification, I aggregate to event time using:

$$\theta_\ell = \sum_g w_g \cdot ATT(g, g + \ell) \tag{1}$$

where ℓ is event time (quarters since grey-listing), and w_g are cohort-size weights.

Standard errors for the CS-DiD are computed analytically via the multiplier bootstrap at the corridor level. For TWFE regressions, I cluster standard errors at the receiving-country level, the unit at which treatment is assigned.

5. Results

5.1 Main Results

Table 2 presents the main estimates. The Callaway-Sant’Anna ATT using never-treated controls (column 1) is 0.16 percentage points with a standard error of 0.29 — statistically indistinguishable from zero. The 95% confidence interval of $[-0.40, 0.72]$ rules out effects larger than 0.72 percentage points, which is economically meaningful: on a base cost of 7.35%,

even the upper bound of the confidence interval would represent a less than 10% increase. Using not-yet-treated corridors as the control group (column 2) yields a similar estimate of 0.20 (SE = 0.29). The conventional TWFE specifications in columns 3–4 produce point estimates that are slightly negative (−0.05 and −0.14), further supporting the null.

Table 2: Effect of FATF Grey-Listing on Remittance Costs

	(1)	(2)	(3)	(4)
	CS-DiD	CS-DiD	TWFE	TWFE
	Never-treated	Not-yet-treated	Basic	Strict
Grey-listed	0.1586	0.2041	-0.0547	-0.1352
	(0.2861)	(0.2877)	(0.1435)	(0.1264)
95% CI	[-0.402, 0.719]			
Estimator	CS (2021)	CS (2021)	OLS	OLS
Control group	Never-treated	Not-yet-treated	—	—
Corridor FE	✓	✓	✓	✓
Time FE	✓	✓	✓	—
Source × Time FE	—	—	—	✓
Clustering	Corridor	Corridor	Destination	Destination
Observations	14,469	14,469	14,469	16,849
Corridors	322	322	322	378
Treated corridors	152	152	152	—
Treatment cohorts	24	24	—	—

Notes: Dependent variable is average total remittance cost (% of \$200 sent) in the corridor-quarter. Columns (1)–(2) report the Callaway and Sant’Anna (2021) aggregate ATT, using doubly robust estimation. Column (1) uses never-treated corridors as controls; column (2) uses not-yet-treated corridors. Column (3) is two-way fixed effects with corridor and quarter fixed effects. Column (4) replaces quarter FE with source-country × quarter FE. Standard errors in parentheses, clustered at the corridor level for CS-DiD and at the receiving-country level for TWFE. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Event study. Table 3 reports the dynamic treatment effects over eight pre-treatment and twelve post-treatment quarters. None of the eight pre-treatment coefficients are individually significant, supporting the parallel trends assumption. The post-treatment coefficients are uniformly small and statistically insignificant through three years after listing. There is a

slight drift toward negative point estimates at longer event times, but these are imprecisely estimated and inconsistent with the hypothesis that grey-listing raises costs.

Table 3: Event Study: Dynamic Effects of Grey-Listing on Remittance Costs

Event time	ATT	(SE)	95% CI
<i>Pre-treatment</i>			
-8	-0.1151	(0.1487)	[-0.524, 0.294]
-7	0.2181	(0.1615)	[-0.226, 0.662]
-6	-0.2070	(0.1829)	[-0.710, 0.296]
-5	0.2178*	(0.1299)	[-0.140, 0.575]
-4	-0.1918	(0.1387)	[-0.573, 0.190]
-3	-0.1203	(0.1640)	[-0.571, 0.331]
-2	0.0076	(0.3433)	[-0.937, 0.952]
-1	0.0283	(0.1607)	[-0.414, 0.470]
<i>Post-treatment</i>			
+0	-0.2129	(0.1664)	[-0.671, 0.245]
+1	-0.0757	(0.1711)	[-0.546, 0.395]
+2	-0.1927	(0.2296)	[-0.824, 0.439]
+3	-0.1316	(0.1962)	[-0.671, 0.408]
+4	-0.2246	(0.2287)	[-0.854, 0.404]
+5	-0.0880	(0.2303)	[-0.722, 0.546]
+6	-0.3793	(0.2331)	[-1.020, 0.262]
+7	-0.3483	(0.2434)	[-1.018, 0.321]
+8	-0.2418	(0.2424)	[-0.908, 0.425]
+9	-0.2176	(0.2345)	[-0.863, 0.427]
+10	-0.4073*	(0.2435)	[-1.077, 0.263]
+11	-0.3495	(0.2930)	[-1.155, 0.456]
+12	-0.2354	(0.2705)	[-0.979, 0.509]

Notes: Callaway and Sant’Anna (2021) dynamic aggregation with 8 pre-treatment and 12 post-treatment quarters. Estimates are the average treatment effect on the treated for each event time, with pointwise uniform confidence intervals. Pre-treatment coefficients test the parallel trends assumption.

5.2 Mechanisms

Channel heterogeneity. If de-risking operates through the correspondent banking system, the price effect should be concentrated among bank-originated remittances, with MTOs — which operate proprietary payment networks — relatively insulated. [Table 4](#), Panel B tests this by estimating the TWFE specification separately for bank and MTO corridor-quarters. Neither channel shows a significant effect: banks at -0.42 ($SE = 0.31$) and MTOs at -0.17 ($SE = 0.16$). The bank coefficient is directionally negative and the largest in absolute terms, but still statistically insignificant.

Extensive margin. The de-risking narrative predicts that grey-listing should reduce the number of providers in a corridor, particularly banks. Panel C of [Table 4](#) shows that grey-listing has no detectable effect on the overall provider count (-0.01 log points, $SE = 0.02$), bank provider count (-0.08 , $SE = 0.10$), or MTO provider count (-0.33 , $SE = 0.57$). The absence of provider exit is consistent with the absence of a price effect: if providers are not leaving, there is no reduction in competition to drive up costs.

5.3 Robustness

Table 4: Robustness Checks and Mechanism Tests

Specification	Coefficient	SE	<i>p</i> -value
<i>Panel A: Placebo and Alternative Controls</i>			
Sending-country placebo	0.1189	0.5912	0.842
Not-yet-treated controls (CS-DiD)	0.2041	0.2877	0.478
FX margin (alternative outcome)	-0.1557	0.1182	0.188
<i>Panel B: Channel Heterogeneity</i>			
Bank channel only	-0.4159	0.3111	0.181
MTO channel only	-0.1667	0.1557	0.284
<i>Panel C: Extensive Margin</i>			
Log providers (all types)	-0.0105	0.0210	0.617
Bank provider count	-0.0829	0.1045	0.428
MTO provider count	-0.3306	0.5710	0.563

Notes: Panel A tests the identifying assumption and alternative specifications. The sending-country placebo tests whether grey-listing the *sending* country affects remittance costs to a non-listed destination (expected null). Panel B estimates the effect separately for bank and MTO providers. Panel C examines the extensive margin (provider exit). All specifications include corridor and time fixed effects with standard errors clustered at the receiving-country level (TWFE) or corridor level (CS-DiD). * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Sending-country placebo. If the empirical strategy were capturing general trends in corridors involving countries subject to international financial scrutiny, we would expect grey-listing of the sending country to also affect costs. The sending-country placebo in Panel A yields a point estimate of 0.12 (SE = 0.59, $p = 0.84$), confirming that the design isolates receiving-country shocks.

FX margin. The exchange rate margin — which could be more directly affected by changes in foreign exchange access than transfer fees — also shows no significant response to grey-listing (−0.16, SE = 0.12, $p = 0.19$). If anything, the point estimate is negative, further inconsistent with the hypothesis.

Entry vs. exit asymmetry. If grey-listing creates persistent damage to financial connectivity through sunk relationship costs (the “sovereign stigma” hypothesis), delisting should have no effect on costs even as formal status improves. Consistent with the absence of an entry effect, I find no delisting effect: the coefficient on post-exit is 0.004 (SE = 0.18) using 48 delisting events.

6. Discussion

The null result I document contradicts a widely held belief in the development finance community. Three candidate mechanisms may explain why FATF grey-listing does not translate into higher remittance costs.

First, the remittance market has become less dependent on correspondent banking. MTOs account for roughly 80% of the firm-level price quotes in the RPW database and increasingly operate through proprietary settlement networks or partnerships that bypass the traditional correspondent banking infrastructure (World Bank, 2024). FATF grey-listing may disrupt bank-to-bank relationships while leaving the primary remittance channels untouched.

Second, the rapid expansion of mobile money — particularly in Sub-Saharan Africa and South Asia, regions disproportionately affected by grey-listing — has created alternative payment rails that are structurally insulated from correspondent banking de-risking (GSMA, 2023). Between 2011 and 2025, mobile money transactions grew from near-zero to over \$1 trillion annually, fundamentally altering the competitive landscape.

Third, the RPW database itself may generate competitive pressure that limits price pass-through. By making corridor-level pricing transparent and easily comparable, the World Bank’s initiative creates a form of “yardstick competition” that constrains providers’ ability to exploit temporary reductions in competition (Beck et al., 2018).

These results do not imply that FATF grey-listing is costless. The financial system effects of de-risking — reduced correspondent banking relationships, higher compliance burdens, and increased transaction costs for banks — are well-documented (Financial Stability Board, 2018; Kida and Paetzold, 2021; Erbenová et al., 2016). My contribution is to show that these wholesale effects do not pass through to the retail remittance costs paid by migrant families. The distinction matters for policy calibration. If the goal is to protect diaspora families from higher transfer costs, the evidence suggests that remittance market structure — dominated by MTOs and increasingly by mobile money — provides a buffer against correspondent banking disruption. If the goal is to maintain correspondent banking infrastructure for broader financial inclusion (trade finance, access to dollar clearing, investment flows), the case for reform rests on different evidence that this paper does not address.

An important caveat applies: the RPW database covers only formal, priced remittance channels. If grey-listing diverts flows from formal to informal channels (e.g., hawala), the true cost to migrants may rise through reduced transparency, security, and regulatory protection — even if the observed formal cost does not change (Freund and Spatafora, 2008). The null result on formal pricing should therefore be interpreted as evidence about one specific margin of adjustment, not as a comprehensive welfare assessment.

7. Conclusion

FATF grey-listing does not raise formal remittance costs. Using 378 corridors observed quarterly over 14 years and a staggered difference-in-differences design with 24 treatment cohorts, I find a precisely estimated null effect that is robust across specifications, channels, and outcome measures. The confidence interval rules out effects larger than 0.72 percentage points on a base cost of 7.35%. The finding challenges the prevailing view that de-risking imposes a “regressive tax” on diaspora families through higher transfer costs, and suggests that the remittance market’s shift toward MTOs and mobile money has insulated consumer prices from the disruption of correspondent banking relationships. Whether grey-listing disrupts wholesale financial intermediation — and whether those disruptions carry welfare costs through other channels — remains an open question for future work.

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Project Repository: <https://github.com/SocialCatalystLab/ape-papers>

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A. Data Appendix

World Bank Remittance Prices Worldwide (RPW). The RPW database collects quarterly price quotes from remittance service providers operating in major corridors. Each observation records the total cost of sending \$200 (and separately \$500) through a specific provider in a specific corridor. Total cost comprises the transfer fee and the exchange rate margin. I use the \$200 benchmark, consistent with the SDG indicator 10.c.1. The raw data contain 247,490 firm-level observations across 378 corridors. I aggregate to corridor-quarter level by computing the unweighted mean cost across all providers, yielding 16,849 corridor-quarter observations.

FATF grey-list compilation. FATF plenary statements from 2010 to 2025 were used to construct the complete panel of grey-list entries and exits. Each plenary announcement identifies which countries are added to and removed from the “Jurisdictions under Increased Monitoring” list. I recorded 74 distinct episodes across 63 countries. Treatment timing is assigned to the quarter of the plenary announcement (February = Q1, June = Q2, October = Q4).

Cohort construction and sample restrictions. The FATF grey-list panel records 74 episodes across 63 countries since 2010. Of these, 24 distinct treatment cohorts enter the grey list during the RPW sample period (2011Q1–2025Q1). The remaining episodes either began before 2011 (and thus lack a clean entry event in the pricing data) or involve countries not covered by the RPW database. I exclude corridors to 18 receiving countries that were already on the grey list at the start of the sample, as the CS-DiD framework requires observing the transition from untreated to treated status. The remaining sample contains 14,469 corridor-quarter observations across 322 corridors, with 152 corridors to treated destinations and 170 corridors to never-treated destinations. Including the always-treated corridors in the TWFE specifications (Table 2, column 4) does not alter the null finding.

Scope limitation. The original research design envisioned a dual-outcome analysis combining remittance prices with BIS Locational Banking Statistics to measure effects on cross-border banking claims. The BIS analysis is deferred to future work due to the complexity of matching BIS counterparty codes to FATF listing status at quarterly frequency. The present paper focuses on the retail price channel, which is the most policy-relevant dimension for migrant welfare.

B. Robustness Appendix

Additional robustness checks are reported in the main text (Table 4). The sending-country placebo, alternative control groups, channel heterogeneity, extensive margin, and entry-exit asymmetry tests all support the main null finding.

C. Standardized Effect Sizes

Table 5: Standardized Effect Sizes for Main Outcomes

Outcome	$\hat{\beta}$	SE	SD(Y)	SDE	SE(SDE)	Classification
<i>Panel A: Pooled</i>						
Total cost (% of \$200)	0.1586	0.2861	3.93	0.0403	0.0727	Small positive
FX margin (%)	-0.1557	0.1182	1.91	-0.0817	0.0620	Moderate negative
<i>Panel B: Heterogeneous (by remittance dependence)</i>						
High-dependence destinations	-0.1181	0.1462	3.74	-0.0316	0.0391	Small negative
Low-dependence destinations	0.2184	0.4657	4.35	0.0502	0.1071	Moderate positive

Notes: **Country:** Multi-country (49 sending, 111 receiving countries). **Research question:** Does placement on the FATF grey list (“Jurisdictions under Increased Monitoring”) raise the cost of sending remittances to listed countries? **Policy mechanism:** FATF grey-listing publicly identifies countries with anti-money-laundering deficiencies, triggering enhanced due diligence requirements for global banks and potentially leading to “de-risking” — withdrawal of correspondent banking relationships from listed jurisdictions. **Outcome definition:** Average total cost of sending \$200 through all remittance providers in the corridor (fees plus exchange rate margin), as a percentage of the amount sent. **Treatment:** Binary indicator for whether the receiving country is currently on the FATF grey list. **Data:** World Bank Remittance Prices Worldwide, 2011Q1–2025Q1, 378 corridors, 16,849 corridor-quarter observations aggregated from 247,490 firm-level price quotes. **Method:** Callaway and Sant’Anna (2021) staggered DiD with doubly robust estimation for Panel A; TWFE with corridor and time fixed effects for Panel B; standard errors clustered at the receiving-country level. **Sample:** All corridors in the RPW database; CS-DiD sample excludes corridors to destinations that were already grey-listed at the start of the sample period (2011Q1). $SDE = \hat{\beta}/SD(Y)$ where $SD(Y)$ is the unconditional standard deviation of remittance costs in the analysis sample. Classification refers to magnitude, not statistical significance: Large ($|SDE| > 0.15$), Moderate (0.05–0.15), Small (0.005–0.05), Null (< 0.005).