

Basic information	
2021/0241(COD)	Procedure completed
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	
Information accompanying transfers of funds and certain crypto-assets	
<b>Subject</b>	
2.50.04.02 Electronic money and payments, cross-border credit transfers 2.50.10 Financial supervision 7.30.20 Action to combat terrorism 7.30.30.08 Capital outflow, money laundering	
<b>Legislative priorities</b>	
Joint Declaration 2021 Joint Declaration 2022	

Key players			
European Parliament	Joint committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs	URTASUN Ernest (Greens/EFA)	25/11/2021
	<b>LIBE</b> Civil Liberties, Justice and Home Affairs	KANKO Assita (ECR)	25/11/2021
		Shadow rapporteur  PEREIRA Lídia (EPP)  MANDL Lukas (EPP)  LALUCQ Aurore (S&D)  TANG Paul (S&D)  KOVAŘÍK Ondřej (Renew)  DELBOS-CORFIELD Gwendoline (Greens/EFA)  MOŽDŽANOWSKA Andżelika Anna (ECR)  BECK Gunnar (ID)  VANDENDRIESSCHE Tom (ID)  DALY Clare (The Left)  SCHIRDEWAN Martin (The Left)	
Committee for opinion on the recast technique		Rapporteur for opinion	Appointed

Council of the European Union	<b>Council configuration</b>	<b>Meetings</b>	<b>Date</b>
	Economic and Financial Affairs ECOFIN	8696	2023-05-16
European Commission	<b>Commission DG</b>	<b>Commissioner</b>	
	Financial Stability, Financial Services and Capital Markets Union	MCGUINNESS Mairead	
European Economic and Social Committee			

Key events			
Date	Event	Reference	Summary
20/07/2021	Legislative proposal published	COM(2021)0422	 Summary
04/10/2021	Committee referral announced in Parliament, 1st reading		
16/12/2021	Referral to joint committee announced in Parliament		
31/03/2022	Vote in committee, 1st reading		
31/03/2022	Committee decision to open interinstitutional negotiations with report adopted in committee		
04/04/2022	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
06/04/2022	Committee report tabled for plenary, 1st reading	A9-0081/2022	 Summary
06/04/2022	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
10/10/2022	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE737.215 GEDA/A(2022)006310	
19/04/2023	Debate in Parliament		
20/04/2023	Decision by Parliament, 1st reading	T9-0118/2023	 Summary
20/04/2023	Results of vote in Parliament		
16/05/2023	Act adopted by Council after Parliament's 1st reading		
31/05/2023	Final act signed		
09/06/2023	Final act published in Official Journal		

Technical information	
Procedure reference	2021/0241(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)

Procedure subtype	Recast
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 59 Rules of Procedure EP 113 Treaty on the Functioning of the EU TFEU 114-p1
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	CJ12/9/07897

Documentation gateway
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European Parliament
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Document type	Committee	Reference	Date	Summary
Committee draft report		PE704.888	09/02/2022	
Specific opinion	JURI	PE729.818	02/03/2022	
Amendments tabled in committee		PE719.852	08/03/2022	
Committee report tabled for plenary, 1st reading/single reading		A9-0081/2022	06/04/2022	<a href="#">Summary</a>
Text agreed during interinstitutional negotiations		PE737.215	05/10/2022	
Text adopted by Parliament, 1st reading/single reading		T9-0118/2023	20/04/2023	<a href="#">Summary</a>

Council of the EU
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Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2022)006310	05/10/2022	
Draft final act	00053/2022/LEX	31/05/2023	

European Commission
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Document type	Reference	Date	Summary
Legislative proposal	COM(2021)0422 	20/07/2021	<a href="#">Summary</a>
Commission response to text adopted in plenary	SP(2023)260	05/07/2023	

National parliaments
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Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2021)0422	22/11/2021	
Contribution	CZ_SENATE	COM(2021)0422	03/01/2022	

Other institutions and bodies
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Institution/body	Document type	Reference	Date	Summary
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EDPS	Document attached to the procedure	N9-0001/2022	22/09/2021	
ECB	European Central Bank: opinion, guideline, report	CON/2021/0037 OJ C 068 09.02.2022, p. 0002	30/11/2021	
EESC	Economic and Social Committee: opinion, report	CES2524/2021	08/12/2021	

## Meetings with interest representatives published in line with the Rules of Procedure

### Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives
DELBOS-CORFIELD Gwendoline	Shadow rapporteur	LIBE	06/09/2022	Open Dialogue Foundation
KOVAŘÍK Ondřej	Shadow rapporteur	LIBE	22/06/2022	Blockchain and virtual currencies stakeholders
KOVAŘÍK Ondřej	Shadow rapporteur	LIBE	14/06/2022	ČAK (CZECH BAR ASSOCIATION)
LALUCQ Aurore	Shadow rapporteur	ECON	08/04/2022	Coinhouse
KOVAŘÍK Ondřej	Shadow rapporteur	LIBE	15/03/2022	Electronic Money Association
LALUCQ Aurore	Shadow rapporteur	ECON	16/02/2022	DG Tresor TRACFIN
LALUCQ Aurore	Rapporteur	ECON	15/02/2022	Représentation permanente française
LALUCQ Aurore	Shadow rapporteur	ECON	25/01/2022	Mutualité Française
LALUCQ Aurore	Shadow rapporteur	ECON	02/12/2021	Tracfin
KOVAŘÍK Ondřej	Shadow rapporteur	LIBE	27/10/2021	Reiffesen Bank International

### Other Members

Transparency		
Name	Date	Interest representatives
LALUCQ Aurore	10/05/2022	Directeur Blockchain & Cryptos chez KPMG France

Final act		
Regulation 2023/1113 OJ L 150 09.06.2023, p. 0001		Summary

## Information accompanying transfers of funds and certain crypto-assets

2021/0241(COD) - 20/07/2021 - Legislative proposal

PURPOSE: to extend the scope of Regulation 2015/847 on information accompanying transfers of funds to include transfers of crypto-assets made by Crypto-Asset Service Providers (CASPs).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: until now, transfers of virtual assets, such as Bitcoins, have remained outside of the scope of EU legislation on financial services, exposing holders of crypto-assets to money laundering and financing of terrorism risks, as flows of illicit money can be done through transfers of crypto-assets and damage the integrity, stability and reputation of the financial sector. Money laundering, terrorist financing and organised crime remain significant problems which should be addressed at Union level.

Given that virtual assets transfers are subject to similar money laundering and terrorist financing risks as wire funds transfers, it is logical to use the same legislative instrument to address these common issues. Regulation (EU) 2015/847 on information accompanying transfers of funds

must therefore now be complemented to also cover virtual assets transfers adequately. Since further significative amendments are to be made to reach this goal, Regulation (EU) 2015/847 should now be recasted in the interests of maintaining its clarity.

The [EU's Security Union Strategy](#) for 2020-2025 highlighted the importance of enhancing the EU's framework for anti-money laundering and countering terrorist financing in order to protect Europeans from terrorism and organised crime.

Furthermore, on 20 July 2021, the European Commission presented an ambitious package of legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules. It is part of the Commission's commitment to protect EU citizens and the EU's financial system from money laundering and terrorist financing. The aim is to improve the detection of suspicious transactions and activities, and close loopholes used by criminals to launder illicit proceeds or finance terrorist activities through the financial system.

CONTENT: the proposed Regulation aims to **extend the scope of Regulation 2015/847** on information accompanying transfers of fund to include **full transparency and traceability of transfers of crypto-assets** made by Crypto-Asset Service Providers (CASPs) in addition to the current provisions on transfer of funds. It lays down rules on the information on payers and payees, accompanying transfers of funds, in any currency, and the information on originators and beneficiaries, accompanying transfers of crypto-assets, for the purposes of preventing, detecting and investigating money laundering and terrorist financing, where at least one of the payment or crypto-asset service providers involved in the transfer of funds or crypto-assets is established in the EU.

The requirements of this regulation apply to CASPs whenever their transactions, whether in fiat currency or a crypto-asset, involve:

- a traditional wire transfer, or;
- a crypto-asset transfer between a CASP and another obliged entity (e.g. between two CASPs or between a CASP and another obliged entity, such as a bank or other financial institution).

#### ***New obligations on crypto-asset service providers***

The proposal provides for new obligations concerning the origin of transfers. Service provider exchanging crypto on behalf of a customer would have to record their **name, address, date of birth and account number**, as well as the name of the intended recipient of the transfer. The crypto-asset service provider of the beneficiary must implement effective procedures to detect whether the information on the originator is included in, or follows, the transfer of crypto-assets. The crypto-asset service provider of the beneficiary must also implement effective procedures, including, where appropriate, ex-post monitoring or real-time monitoring, in order to detect whether the required information on the originator or the beneficiary is missing.

## **Information accompanying transfers of funds and certain crypto-assets**

2021/0241(COD) - 06/04/2022 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs jointly adopted the report by Ernest URTASUN (Greens/EFA, ES) and Assita KANKO (ECR, BE) on the proposal for a regulation of the European Parliament and of the Council on information accompanying transfers of funds and certain crypto-assets (recast).

Currently, there are no rules in the EU allowing crypto-asset transfers to be traced and providing information on the originator/beneficiary of such crypto-asset transfers. Therefore, a loophole has been created enabling the use of crypto-assets to facilitate, fund and hide criminal activities and launder proceeds, since illicit flows can move easily and anonymously without any geographical limitations across jurisdictions, with a better chance of remaining unhindered and undetected.

The recast proposal intends to close this loophole by **extending the current regime applied to wire transfers to transfers of crypto-assets**.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

#### ***Scope***

The Regulation will apply to transfers of funds, irrespective of currency, or of crypto-assets, which are sent or received by a payment service provider, a crypto-asset transfer provider or an intermediary payment service provider established in the Union.

The Regulation should not apply to providers of ancillary infrastructure that enables another entity to provide services related to the transfer of crypto-assets. It should not apply to transfers of crypto-assets that fulfil any of the following conditions: (i) both the originator and the beneficiary are providers of crypto-asset transfers acting on their own behalf; (ii) the transfers constitute person-to-person transfers of crypto-assets carried out without the involvement of a provider of crypto-asset transfers or obliged entity.

#### ***Increased transparency of information accompanying transfers of crypto-assets***

Members suggested that transfers of crypto-assets should be accompanied by **information on the originator** such as inter alia: (i) the name of the originator; (ii) the originator's wallet address, where a transfer of crypto-assets is registered on a network using distributed ledger technology or similar technology, and the crypto-asset account of the originator, where an account is used to process the transaction; (iii) the originator's crypto-asset account, where a transfer of crypto-assets is not registered on a network using distributed ledger technology or similar technology; (iv) the originator's address, country, official personal document number, customer identification number or date and place of birth.

Moreover, the following **information on the beneficiary** should be provided: (i) the name of the beneficiary; (ii) the beneficiary's wallet address, where a transfer of crypto-assets is registered on a network using distributed ledger technology or similar technology, and the beneficiary's crypto-asset account, where such an account exists and is used to process the transaction; (iii) the beneficiary's crypto-asset account, where a transfer of crypto-assets is not registered on a network using distributed ledger technology or similar technology.

#### ***Unique transaction identifier***

In the case of a transfer not made from or to an account, the provider of crypto-asset transfers of the originator should ensure that the transfer of crypto-assets is accompanied by a **unique transaction identifier and record the originator and beneficiary address identifiers on the distributed ledger**. To that end, providers of crypto-asset transfers should rely on suitable tools, including innovative technological solutions, to ensure that the transfer of crypto-assets can be individually identified.

In particular crypto-asset service providers should establish effective procedures to detect **suspicious** crypto-assets, in particular any link with illegal activities, including fraud, extortion, ransomware or darknet marketplaces, or whether the crypto-asset has passed through mixers or tumblers or other anonymizing services.

#### ***Unhosted wallet***

Where there is a transfer of crypto-assets from an unhosted wallet, the provider of crypto-asset transfers of the beneficiary should collect and retain the relevant information from its customer, verify the accuracy of that information, make such information available to competent authorities upon request, and ensure that the transfer of crypto-assets can be individually identified.

For transfers of crypto-assets from unhosted wallets which are already verified and have a known originator, providers of crypto-asset transfers should not be required to verify the information of the originator accompanying each transfer of crypto-assets.

The provider of crypto-asset transfers should maintain a record of all transfers of crypto-assets from unhosted wallets and notify the competent authority of any customer having received an amount of **EUR 1 000** or more from unhosted wallets.

#### ***Specific high-risk factors in relation to transfers of crypto-assets***

Providers of crypto-asset transfers should refrain from executing or facilitating transfers associated with a high risk of money-laundering, terrorist financing and other criminal activities.

The provider of crypto-asset transfers should also determine on a risk sensitive basis whether to reject any future transfers of crypto-assets from or to, or restrict or terminate its business relationship with, a provider of crypto-asset transfers associated with a high risk of money-laundering, terrorist financing and other criminal activities.

#### ***Public register of non-compliant crypto-asset service providers***

In order to facilitate the identification of illicit actors that pose a great risk from a AML/CFT perspective, the European Banking Authority (EBA) should maintain a **public register of non-compliant crypto-asset service providers**, consisting of entities which cannot be linked to any recognised jurisdictions, do not apply any identification measures on their customer and offer anonymising services, given their role in undermining the effectiveness of AML/CFT systems and controls.

#### ***Increased speed of adoption***

Lastly, Members stressed that in order to speed up its adoption and ensure that crypto-asset service providers and other obliged entities put in place effective mechanisms to comply with the travel rule for combatting money laundering and terrorism financing, the current recast proposal should be decoupled from the rest of the new AML package and should be linked to the existing AMLD framework until the entry into force of the new regime, while preserving the alignment with the upcoming Regulation on Markets in Crypto-assets [MiCA].

## **Information accompanying transfers of funds and certain crypto-assets**

The European Parliament adopted by 529 votes to 29, with 14 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on information accompanying transfers of funds and certain crypto-assets (recast).

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

#### ***Ensuring traceability of transfers of crypto-assets***

The aim of this recast is to introduce an obligation for crypto asset service providers to collect and make accessible certain information about the originator and the beneficiary of the transfers of crypto assets they operate.

In order to ensure the transmission of information throughout the payment chain or the transfer of crypto-assets chain, the Regulation provides for a system imposing the obligation on payment service providers to **accompany transfers of funds with information on the payer and the payee and the obligation on crypto-asset service providers to accompany transfers of crypto-assets with information** on the originator and the beneficiary.

This will ensure traceability of crypto-asset transfers in order to be able to better identify possible suspicious transactions and block them.

The introduction of this '**travel rule**' will ensure financial transparency on exchanges in crypto-assets and will provide the EU with a solid and proportional framework that complies with the most demanding international standards on the exchange of crypto-assets, in particular the recommendations of the Financial Action Task Force (FATF), the global money laundering and terrorist financing watchdog.

This Regulation should apply to **transfers of funds, in any currency**, which are sent or received by a payment service provider or an intermediary payment service provider established in the Union. It should also apply to transfers of crypto-assets, including transfers of crypto-assets executed by means of crypto-ATMs, where the crypto-asset service provider, or the intermediary crypto-asset service provider, of either the originator or the beneficiary has its registered office in the Union.

This Regulation should not apply to a transfer of crypto-assets if any of the following conditions is met: (a) both the originator and the beneficiary are crypto-asset service providers acting on their own behalf; (b) the transfer constitutes a person-to-person transfer of crypto-assets carried out without the involvement of a crypto-asset service provider.

#### ***Self-hosted address***

There will be specific requirements for crypto-asset transfers between crypto-asset service providers and un-hosted wallets.

The requirements set out in the Regulation should apply to all transfers including transfers of crypto-assets to or from a self-hosted address, as long as there is a crypto-asset service provider involved.

In the case of a transfer to or from a self-hosted address, the crypto-asset service provider should collect the information on both the originator and the beneficiary, usually from its client. A crypto-asset service provider should in principle not be required to verify the information on the user of the self-hosted address. Nonetheless, in the case of a transfer of an amount exceeding EUR 1 000 that is sent or received on behalf of a client of a crypto-asset service provider to or from a self-hosted address, that crypto-asset service provider should verify whether that self-hosted address is effectively owned or controlled by that client.

The Commission should assess, no later than 18 months after the date of application of the Regulation, the need for additional specific measures to mitigate the risks posed by transfers to or from self-hosted addresses or to or from entities not established in the Union, including the introduction of possible restrictions, and should assess the effectiveness and proportionality of the mechanisms used to **verify the accuracy of information concerning the ownership** of self-hosted addresses.

#### ***Obligations on intermediary crypto-asset service providers***

Intermediary crypto-asset service providers should:

- ensure that all the information received on the originator and the beneficiary that accompanies a transfer of crypto-assets is transmitted with the transfer and that records of such information are retained and made available on request to the competent authorities;
- implement effective procedures, including, where appropriate, monitoring after or during the transfers, in order to detect whether the information on the originator or the beneficiary has been submitted previously, simultaneously or concurrently with the transfer or batch file transfer of crypto-assets, including where the transfer is made to or from a self-hosted address;
- establish effective risk-based procedures, including procedures based on the risk-sensitive basis, for determining whether to execute, reject, return or suspend a transfer of crypto-assets lacking the required information on the originator and the beneficiary and for taking the appropriate follow up action.

#### ***Policies, procedures and internal controls to ensure the implementation of restrictive measures***

Payment service providers and crypto-asset service providers should have policies, procedures and internal controls to ensure the implementation of EU and national restrictive measures when transferring funds and crypto-assets under the Regulation.

#### ***Data protection***

Regarding data protection, it is expected that the general data protection regulation (GDPR) remains applicable to transfers of funds, and that no separate data protection rules will be set up.

The European Data Protection Board should, after consulting EBA, issue guidelines on the practical implementation of data protection requirements for transfers of personal data to third countries in the context of transfers of crypto-assets. EBA should issue guidelines on suitable procedures for determining whether to execute, reject, return or suspend a transfer of crypto-assets in situations where compliance with data protection requirements for the transfer of personal data to third countries cannot be ensured.

# Information accompanying transfers of funds and certain crypto-assets

2021/0241(COD) - 09/06/2023 - Final act

**PURPOSE:** to fight money laundering and the financing of terrorism, including by implementing international standards and by ensuring the availability of basic information on payers and payees of transfer of funds, and on originators and beneficiaries of transfers of crypto-assets.

**LEGISLATIVE ACT:** Regulation (EU) 2023/1113 of the European Parliament and of the Council on information accompanying transfers of funds and certain crypto-assets and amending Directive (EU) 2015/849.

**CONTENT:** this Regulation updates the rules on information accompanying transfers of funds by extending the scope of these rules to transfers of crypto-assets.

Under the new rules, the crypto asset service providers are obliged to collect and make accessible certain information about the originator and the beneficiary of the transfers of crypto assets they operate. This is what payment service providers currently do for wire transfers. It will ensure traceability of crypto-asset transfers in order to be able to better identify possible suspicious transactions and block them. The new agreement will enable the EU to deal with the risks of money laundering and terrorist financing linked to these new technologies, while reconciling competitiveness, consumer and investor protection, and the protection of the financial integrity of the internal market.

The introduction of this 'travel rule' will ensure financial transparency on exchanges in crypto-assets and will provide the EU with a solid and proportional framework that complies with the most demanding international standards on the exchange of crypto-assets, in particular recommendations 15 and 16 of the Financial Action Task Force (FATF).

## **Scope**

This Regulation will apply to transfers of funds, in any currency, which are sent or received by a payment service provider or an intermediary payment service provider established in the Union. It will also apply to transfers of crypto-assets, including transfers of crypto-assets executed by means of crypto-ATMs, where the crypto-asset service provider, or the intermediary crypto-asset service provider, of either the originator or the beneficiary has its registered office in the Union.

Given the role of crypto-ATMs in providing or actively facilitating transfers of crypto-assets, transfers of crypto-assets linked to crypto-ATMs should fall under the scope of this Regulation.

## **Ensuring traceability of crypto-asset transfers**

In practical terms, the aim of this recast is to impose an obligation on crypto-asset service providers to collect and make accessible certain data on the originator and beneficiary of the crypto-asset transfers they process.

The Regulation provides for a system imposing an obligation on payment service providers to ensure that fund transfers are accompanied by information on the originator and beneficiary of funds and imposing an obligation on crypto-asset service providers to ensure that crypto-asset transfers are accompanied by information on the originator and beneficiary of crypto-assets.

Payment service providers and crypto-asset service providers will ensure that information on the originator and beneficiary of funds or on the originator and beneficiary of crypto-assets is not missing or incomplete.

It is intended to require verification of the accuracy of the information on the originator or beneficiary of funds only for individual transfers of funds that exceed EUR 1 000, unless the transfer appears to be linked to other transfers of funds that cumulatively exceed EUR 1 000, whether the funds were received or paid in cash or in the form of anonymous electronic money, or where there are reasonable grounds to suspect money laundering or terrorist financing.

## **Self-hosted wallets**

There are specific requirements for transfers of crypto-assets between crypto-asset service providers and self-hosted wallets. In the case of a transfer of an amount exceeding EUR 1 000 that is sent or received on behalf of a client of a crypto-asset service provider to or from a self-hosted address, that crypto-asset service provider should verify whether that self-hosted address is effectively owned or controlled by that client.

## **Policies, procedures and internal controls to ensure the implementation of restrictive measures**

Payment service providers and crypto-asset service providers will be required to have policies, procedures and internal controls to ensure the implementation of restrictive measures at EU and national level when transferring funds and crypto-assets under the Regulation.

## **Data protection**

Regarding data protection, it is expected that the General Data Protection Regulation (GDPR) will remain applicable to transfers of funds, and that no separate data protection regulations will be introduced.

Given the urgency to ensure traceability of crypto-asset transfers and chose to align the timetable for application of this regulation with that of the markets in crypto assets (MiCA) regulation.

ENTRY INTO FORCE: 29.6.2023.

APPLICATION: from 30.12.2024.