Basic information

2021/0239(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Prevention of the use of the financial system for the purposes of money laundering or terrorist financing **Subject** 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 **Legislative priorities** Joint Declaration 2021 Joint Declaration 2022 Joint Declaration 2023-24	

Key players

	Joint committee responsible	Rapporteur	Appointed
European Parliament	ECON Economic and Monetary Affairs	HEINÄLUOMA Eero (S&D)	25/11/2021
	LIBE Civil Liberties, Justice and Home Affairs	CARÊME Damien (Greens/EFA)	25/11/2021
		Shadow rapporteur BRAUNSBERGER-REINHOLD Karolin (EPP) SEEKATZ Ralf (EPP) ROBERTI Franco (S&D) STRUGARIU Ramona (Renew) PÎSLARU Dragoş (Renew) PETER-HANSEN Kira Marie (Greens/EFA) ZĪLE Roberts (ECR) WIŚNIEWSKA Jadwiga (ECR) GARRAUD Jean-Paul (ID) BECK Gunnar (ID) SCHIRDEWAN Martin (The Left) DALY Clare (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
JURI Legal Affairs	The committee decided not to give an opinion.	

Council of the European Union	
European Commission	Commission DG: Financial Stability, Financial Services and Capital Markets Union; Commissioner: MCGUINNESS Mairead
European Economic and Social Committee	

Key events

Date	Event	Reference	Summary
20/07/2021	Legislative proposal published	COM(2021)0420	Summary
04/10/2021	Committee referral announced in Parliament, 1st reading		
16/12/2021	Referral to joint committee announced in Parliament		
28/03/2023	Vote in committee, 1st reading		
28/03/2023	Committee decision to open interinstitutional negotiations with report adopted in committee		
14/04/2023	Committee report tabled for plenary, 1st reading	A9-0151/2023	Summary
17/04/2023	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
19/04/2023	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72)		
19/03/2024	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	GEDA/A/(2024)000995 PE759.083 PE759.085	
24/04/2024	Results of vote in Parliament		
24/04/2024	Debate in Parliament		
24/04/2024	Decision by Parliament		
30/05/2024	Act adopted by Council after Parliament's 1st reading		
31/05/2024	Final act signed		
19/06/2024	Final act published in Official Journal		

Technical information

Procedure reference	2021/0239(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 59 Treaty on the Functioning of the European Union TFEU 114-p1
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	CJ12/9/07896

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE719.945	15/03/2022	
Amendments tabled in committee		PE734.116	05/07/2022	
Amendments tabled in committee		PE734.117	05/07/2022	
Amendments tabled in committee		PE734.118	05/07/2022	
Committee report tabled for plenary, 1st reading/single reading		A9-0151/2023	14/04/2023	Summary
Text agreed during interinstitutional negotiations		PE759.083	13/02/2024	
Committee letter confirming interinstitutional agreement		PE759.085	14/02/2024	
Text adopted by Parliament, 1st reading/single reading		T9-0365/2024	24/04/2024	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2024)000995	14/02/2024	
Draft final act	00036/2024/LEX	31/05/2024	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2021)0420	20/07/2021	Summary
Document attached to the procedure	SEC(2021)0391	22/07/2021	
Document attached to the procedure	SWD(2021)0190	22/07/2021	
Document attached to the procedure	SWD(2021)0191	22/07/2021	
Commission response to text adopted in plenary	SP(2024)394	08/08/2024	

Commission response to text adopted in plenary	SP(2024)394	08/08/2024	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2021)0420	08/11/2021	
Contribution	ES_PARLIAMENT	COM(2021)0420	22/11/2021	
Contribution	ES_PARLIAMENT	SWD(2021)0190	22/11/2021	
Contribution	ES_PARLIAMENT	SWD(2021)0191	22/11/2021	
Contribution	CZ_SENATE	COM(2021)0420	03/01/2022	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EDPS	Document attached to the procedure	N9-0001/2022	22/09/2021	
EESC	Economic and Social Committee: opinion, report	CES2524/2021	08/12/2021	
ECB	European Central Bank: opinion, guideline, report	CON/2022/0005 OJ C 210 25.05.2022, p. 0015	16/02/2022	

Additional information

Source	Document	Date
EP Research Service	Briefing	20/12/2021
European Commission	EUR-Lex	

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
HEINÄLUOMA Eero	Rapporteur	ECON	03/05/2023	European Central Bank (ECB)
SEEKATZ Ralf	Shadow rapporteur	ECON	28/02/2023	Deutscher Lottoverband e.V. LOTTO Hamburg GmbH LOTTO Rheinland-Pfalz GmbH
SEEKATZ Ralf	Shadow rapporteur	ECON	07/02/2023	Bundessteuerberaterkammer Deutscher Steuerberaterverband e.V.
BRAUNSBERGER-REINHOLD Karolin	Shadow rapporteur	LIBE	07/02/2023	mafianeindanke e.V.

SEEKATZ Ralf	Shadow rapporteur	ECON	25/01/2023	Verband der Privaten Bausparkassen e.V. Debeka Bausparkasse AG
PETER-HANSEN Kira Marie	Shadow rapporteur	ECON	30/11/2022	Transparency International
SEEKATZ Ralf	Shadow rapporteur	ECON	15/11/2022	Verband der Privaten Bausparkassen e.V.
RESSLER Karlo	Shadow rapporteur	LIBE	12/10/2022	Raiffeisen Bank International AG
SEEKATZ Ralf	Shadow rapporteur	ECON	12/10/2022	Österreichischer Sparkassenverband
CARÊME Damien	Rapporteur	LIBE	27/09/2022	Délégation des Barreaux de France
CARÊME Damien	Rapporteur	LIBE	06/09/2022	Open Dialogue Foundation
RESSLER Karlo	Shadow rapporteur	LIBE	30/06/2022	Raiffeisen Bank International AG
BRAUNSBERGER-REINHOLD Karolin	Shadow rapporteur	LIBE	30/06/2022	Allwyn International a.s.
CARÊME Damien	Rapporteur	LIBE	14/06/2022	EU liaison office Barreaux Begique et Luxembourg
BRAUNSBERGER-REINHOLD Karolin	Shadow rapporteur	LIBE	30/05/2022	European Association of Co-operative Banks
DALY Clare	Shadow rapporteur	LIBE	12/05/2022	Cash Matters
BRAUNSBERGER-REINHOLD Karolin	Shadow rapporteur	LIBE	22/04/2022	Finance Denmark Finance Norway Finanssiala ry - Finance Finland Swedish Bankers´ Association
BRAUNSBERGER-REINHOLD Karolin	Shadow rapporteur	LIBE	20/04/2022	Nederlandse Vereniging van Banken / Dutch Banking Association
BRAUNSBERGER-REINHOLD Karolin	Shadow rapporteur	LIBE	20/04/2022	Bundesnotarkammer
BRAUNSBERGER-REINHOLD Karolin	Shadow rapporteur	LIBE	06/04/2022	Bernstein Public Policy
CARÊME Damien	Rapporteur	LIBE	05/04/2022	Transparency International Liaison Office to the European Union
SEEKATZ Ralf	Shadow rapporteur	ECON	29/03/2022	Deutscher Anwaltverein (German Bar Association)
STRUGARIU Ramona	Shadow rapporteur	LIBE	28/03/2022	Transactie Monitoring Nederland
STRUGARIU Ramona	Shadow rapporteur	LIBE	28/03/2022	Europol
STRUGARIU Ramona	Shadow rapporteur	LIBE	22/03/2022	Intrum
SEEKATZ Ralf	Shadow rapporteur	ECON	22/03/2022	Elephant & Castle
STRUGARIU Ramona	Shadow rapporteur	LIBE	21/03/2022	RELX
STRUGARIU Ramona	Shadow rapporteur	LIBE	10/02/2022	EUROPEAN FEDERATION OF JEWELLERY (EFJ)
DALY Clare	Shadow rapporteur	LIBE	10/02/2022	Tax Justice Network

STRUGARIU Ramona	Shadow rapporteur	LIBE	09/02/2022	EUPPORTUNITY (QB, Lda.)
STRUGARIU Ramona	Shadow rapporteur	LIBE	03/02/2022	Raiffeisen Bank Romania (RBRo)
SEEKATZ Ralf	Shadow rapporteur	ECON	18/01/2022	Giesecke+Devrient
STRUGARIU Ramona	Shadow rapporteur	LIBE	14/01/2022	Association Luxembourgeoise des Fonds d'Investissement Association des Banques et Banquiers, Luxembourg
SEEKATZ Ralf	Shadow rapporteur	ECON	11/01/2022	Bundesnotarkammer
SEEKATZ Ralf	Shadow rapporteur	ECON	11/01/2022	Prepaid Verband Deutschland e. V.
STRUGARIU Ramona	Shadow rapporteur	LIBE	10/12/2021	Europol
STRUGARIU Ramona	Shadow rapporteur	LIBE	08/12/2021	Western Union
STRUGARIU Ramona	Shadow rapporteur	LIBE	08/12/2021	European Fund and Asset Management Association
SEEKATZ Ralf	Shadow rapporteur	ECON	09/11/2021	Bundesverband deutscher Banken e.V.
SEEKATZ Ralf	Shadow rapporteur	ECON	05/10/2021	Bundesverband Öffentlicher Banken Deutschlands eV
SEEKATZ Ralf	Shadow rapporteur	ECON	14/09/2021	Deutsche Bank AG

Other Members

Transparency

Name	Date	Interest representatives
BOYER Gilles	12/10/2022	Fédération bancaire française
BOYER Gilles	17/05/2022	Onfido

Final act

Regulation 2024/1624
OJ OJ L 19.06.2024 — Summary

Prevention of the use of the financial system for the purposes of money laundering or terrorist financing

2021/0239(COD) - 20/07/2021 - Legislative proposal

PURPOSE: to lay down rules on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (Single EU Rulebook).

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: money laundering and terrorist financing pose a serious threat to the integrity of the EU economy and financial system and the security of its citizens. Europol estimated that around 1% of the EU's annual Gross Domestic Product is 'detected as being involved in suspect financial activity'. The fight against money laundering and terrorist financing is vital for financial stability and security in Europe.

Legislative gaps in one Member State have an impact on the EU as a whole.

It is therefore necessary that rules on matters currently covered in Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing which may be directly applicable by the obliged entities concerned are addressed in a new Regulation in order to achieve the desired uniformity of application.

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 Commission proposal aims to lay down rules on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing with the objective of setting up a single EU rulebook for AML/CFT which will harmonise AML/CFT rules across the EU, including, for example, more detailed rules on customer due diligence, beneficial ownership and the powers and task of supervisors and Financial Intelligence Units (FIUs). Existing national registers of bank accounts will be connected, providing faster access for FIUs to information on bank accounts and safe deposit boxes.

The Commission will also provide law enforcement authorities with access to this system, speeding up financial investigations and the recovery of criminal assets in cross-border cases.

The proposed regulation makes a number of changes to the existing AML/CFT Directive in order to bring about a greater level of harmonisation and convergence in the application of AML/CFT rules across the EU:

- in order to mitigate new and emerging risks, the **list of obliged entities is expanded to include crypto-asset service providers** but also other sectors such as crowdfunding platforms and migration operators;

- to ensure consistent application of rules across the internal market, requirements in relation to internal policies, controls and procedures are clarified, including in the case of groups, and customer due diligence measures are made more granular, with clearer requirements according to the risk level of the customer;

- the requirements in relation to **third countries** are reviewed to ensure that enhanced due diligence measures are applied to those countries that pose a threat to the Union's financial system;

- requirements in relation to **politically exposed persons** are subject to minor clarifications, particularly as regards the definition of a politically exposed person;

- beneficial ownership requirements are streamlined to ensure an adequate level of **transparency** across the Union, and new requirements are introduced in relation to nominees and foreign entities to mitigate risks that criminals hide behind intermediate levels;

- to guide more clearly reporting of suspicious transactions, red flags raising suspicion are clarified, whereas disclosure requirements and private-to-private sharing of information remain unaltered;

- in order to ensure full consistency with **EU data protection** rules, requirements for the processing of certain categories of personal data are introduced and a shorter time-limit is provided for retention of personal data;

- provisions preventing traders in goods or services from accepting **cash payments of over EUR 10 000** for a single purchase, while allowing Member States to maintain in force lower ceilings for large cash transactions.

Prevention of the use of the financial system for the purposes of money laundering or terrorist financing

2021/0239(COD) - 14/04/2023 - 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 Eero HEINÄLUOMA (S&D, FI) and Damien CARÊME (Greens/EFA, FR) on the proposal for a regulation of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

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:

Subject matter

Members stated that the proposed Regulation should lay down rules concerning:

- measures to be applied by obliged entities to mitigate and manage the risks of non-implementation and evasion of targeted financial sanctions;

- measures to prevent money laundering and terrorist financing in Member States which allow for citizenship or residence rights in exchange for any kind of investment, including capital transfers, purchase or renting of property, investment in government bonds, investment in corporate entities, donation or endowment of an activity contributing to the public good and contributions to the state budget;

- measures to mitigate risks deriving from anonymous instruments and limit the misuse of bearer instruments.

Obliged entities

The amended text adds wealth managers to the list of entities subject to AML/CFT rules, as well as high-level football clubs, agents in the football sector and Member States' football associations.

Moreover, the report stressed that the risks of ML/FT involving works of art and other high value goods are well known. Therefore, it proposed to reduce the value of goods from which due diligence obligations apply from EUR 10 000 to EUR 5 000.

Ban on citizenship by investment and minimum requirements regarding citizenship and residence by investment schemes

Member States should not put in place schemes under national law which allow for citizenship rights in exchange for any kind of investment, including capital transfers, the purchase or renting of property, investment in government bonds, investment in corporate entities, donation or endowment of an activity contributing to the public good and contributions to the state budget, and without a genuine link with the Member States concerned.

Register the beneficial owner of these entities in the Union

The concept of beneficial ownership is crucial to increase transparency of complex corporate structures and ease compliance with AML/CFT rules. In this regard, the beneficial ownership (BO) register is a key instrument to grant sufficient transparency and assist obliged entities in their customer due diligence obligations as well as competent authorities in their tasks. However, to reduce the chances to circumvent this tool, it is important to reduce the percentage threshold that serves as indication of ownership of a legal entity from 25% to 15%.

Reporting of suspicions

Members considered that obliged entities should report all suspicions of money laundering, terrorist financing or predicate offences to the FIU, including suspicious attempted transactions. They should reply to a request for information by the FIU within five working days, unless the FIU determines a different deadline.

By three years from the entry into force of this Regulation, AMLA should develop an electronic filing system, (FIU.net one-stop-shop), to be used by obliged entities to submit to the FIU of the Member State in whose territory the obliged entity transmitting the information is established, and to any other concerned FIU, reports of suspicion of money laundering, predicate offences and terrorist financing, including on attempted transactions. The FIU.net one-stop-shop should provide a single access point for reporting of suspicions through protected channels of communications and via a standardised form.

Exchange of data under partnerships for information sharing in AML/CFT field

To combat money laundering and terrorist financing, the amended text suggested that obliged entities and public authorities may participate in partnerships for information sharing in AML/CFT field established under national law in one or across several Member States.

Each Member State may lay down in its national law that, to the extent that is necessary and proportionate, obliged entities, and where applicable, public authorities that are party to the partnership for information sharing in AML/CFT field, may share personal data collected in the course of performing customer due diligence obligations and process that data within the partnership for the purposes of the prevention of money laundering and terrorist financing, provided that at a minimum of requirements are respected.

Limits to large cash payments

The amended text proposed that persons trading in goods or providing services may accept or make a payment in cash only up to an amount of **EUR 7 000** (as opposed to EUR 10 000) or equivalent amount in national or foreign currency, whether the transaction is carried out in a single operation or in several operations which appear to be linked. Member States should not discriminate between residents and non-residents with regard to the limits applicable for cash payments.

Payments in crypto-assets without the involvement of a crypto-asset service provider

The report stated that persons trading in goods or providing services may accept or make a transfer in crypto-assets from a selfhosted address only up to an amount equivalent to EUR 1 000 whether the transaction is carried out in a single operation or in several operations which appear to be linked, unless the customer or beneficial owner of such self-hosted address can be identified.

Member States should ensure that appropriate measures, including sanctions, are taken against natural or legal persons acting in their professional capacity which are suspected of a breach of the limit.

Prevention of the use of the financial system for the purposes of money laundering or terrorist financing

2021/0239(COD) - 24/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 479 votes to 61, with 32 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

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

Obliged entities

In addition to financial institutions, banks, real estate agencies, asset management services, casinos, auditors, accountants and tax advisors, the list of reporting entities also covers **lawyers**, persons dealing in **high-value goods and cultural goods**, mortgage and consumer credit intermediaries, mixed non-financial holding companies, **football agents and professional football clubs** for transactions with an investor, with a sponsor, with football agents or other intermediaries for a football player's transfer.

Obliged entities wishing to carry out activities within the territory of another Member State for the first time should notify the supervisors of their home Member State of the activities which they intend to carry out in that other Member State.

Business-wide risk assessment

Obliged entities should take appropriate measures, proportionate to the nature of their business, including its risks and complexity, and their size, to identify and assess the risks of money laundering and terrorist financing to which they are exposed, as well as the risks of non-implementation and evasion of targeted financial sanctions. They should take account of information on money laundering and terrorist financing risks provided by competent authorities and information on the customer base.

Group-wide requirements

A parent undertaking should ensure that the requirements on internal procedures, risk assessment and staff apply in all branches and subsidiaries of the group in the Member States and, for groups whose head office is located in the Union, in third countries. To this end, a parent undertaking should perform a group-wide risk assessment, taking into account the business-wide risk assessment performed by all branches and subsidiaries of the group, and establish and implement group-wide policies, procedures and controls to ensure that employees within the group are aware of the requirements arising from this Regulation.

Application of customer due diligence

Reporting entities should apply customer due diligence measures when they carry out, on an occasional basis, a transaction of **at least EUR 10 000**, when there is a suspicion of money laundering or terrorist financing or when there are doubts as to whether the person with whom they are interacting is the customer or the person authorised to act on the customer's behalf.

By way of derogation, **providers of crypto-asset services** should apply customer due diligence measures when carrying out transactions of **EUR 1 000 or more**. In addition, reporting entities should at least have to apply customer due diligence measures when they carry out an occasional cash transaction of at least EUR 3 000.

Customer due diligence measures

Obliged entities should *inter alia*:

- identify the customer and verify the customer's identity;

- verify whether the customer or the beneficial owners are **subject to targeted financial sanctions**, and, in the case of a customer or party to a legal arrangement who is a legal entity, whether natural or legal persons subject to targeted financial sanctions control the legal entity or have more than 50 % of the proprietary rights of that legal entity or majority interest in it, whether individually or collectively;

- assess and, as appropriate, obtain information on the nature of the customers' business, including, in the case of undertakings, whether they carry out activities, or of their employment or occupation;

- determine whether the customer, the beneficial owner of the customer and, where relevant, the person on whose behalf or for the benefit of whom a transaction or activity is being carried out is a politically exposed person, a family member or person known to be a close associate;

- verify that any person purporting to act on behalf of the customer is so authorised and identify and verify their identity.

Obliged entities should report to the central registers any discrepancies they find between the information available in the central registers and the information they collect.

Third-country policy

To protect the proper functioning of the Union's financial system from money laundering and terrorist financing, the Commission should be empowered to adopt delegated acts to identify third countries whose shortcomings in their national AML/CFT regimes represent a threat to the integrity of the Union's internal market. In order to ensure a consistent identification of third countries that pose a specific and serious threat to the Union's financial system, while not being publicly identified as subject to calls for actions or increased monitoring by the FATF, the Commission should be able to set out, by means of an implementing act, the methodology for the identification in exceptional circumstances of such third countries.

Enhanced due diligence measures

Where a business relationship that is identified as having a higher risk involves the handling of assets with a value of at least **EUR 5 000 000**, or the equivalent in national or foreign currency, through personalised services for a customer holding total assets with a value of at least **EUR 50 000 000**, or the equivalent in national or foreign currency, whether in financial, investable or real estate assets, or a combination thereof, excluding that customer's private residence, credit institutions, financial institutions and trust or company service providers should apply enhanced due diligence measures.

Beneficial owners

The amended text harmonises the rules on beneficial owners and makes them more transparent. The beneficial owners of legal entities are natural persons who: (a) have, directly or indirectly, an ownership interest in the corporate entity; or (b) control, directly or indirectly, the corporate or other legal entity, through ownership interest or via other means. Participation in the capital of the company means the direct or indirect holding of at least 25% of the shares, or the holding of at least 25% of the voting rights or any other type of participation in the capital of the company.

Prevention of the use of the financial system for the purposes of money laundering or terrorist financing

2021/0239(COD) - 19/06/2024 - Final act

PURPOSE: to prevent the use of the financial system for the purposes of money laundering or terrorist financing.

LEGISLATIVE ACT: Regulation (EU) 2024/1624 of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

CONTENT: this regulation is part of a package of new anti-money-laundering rules that will protect EU citizens and the EU's financial system against money laundering and the financing of terrorism. The regulation **exhaustively harmonises anti-money laundering rules** for the first time throughout the EU, closing loopholes for fraudsters. It lays down rules concerning:

- the measures to be applied by obliged entities to prevent money laundering and terrorist financing;

- beneficial ownership transparency requirements for legal entities, express trusts and similar legal arrangements;

- measures to limit the misuse of anonymous instruments.

Reporting entities

In addition to financial institutions, banks, estate agencies, asset management services, casinos, auditors, accountants and tax advisors, the list of regulated entities also covers notaries, lawyers, persons dealing in luxury goods and cultural property, mortgage and consumer credit intermediaries, non-financial mixed holding companies, football agents and professional football clubs for transactions with an investor, with a sponsor, with football agents or other intermediaries or for the purposes of the transfer of a footballer.

Internal policies, procedures and controls

Obliged entities will:

- have in place internal policies, procedures and controls in order to mitigate and manage effectively the risks of money laundering and terrorist financing identified at the level of the Union, the Member State and the obliged entity as well as to mitigate the risks of non-implementation and evasion of **targeted financial sanctions**;

- take appropriate measures, proportionate to the nature of their business, including its risks and complexity, and to their size, to identify and assess the money laundering and terrorist financing risks to which they are exposed, as well as the risks of non-implementation and evasion of targeted financial sanctions;

- take steps to ensure that their staff are aware of the requirements of the Regulation.

Customer due diligence

Obliged entities will apply customer due diligence measures when establishing a business relationship, when carrying out an occasional transaction of a value of at least **EUR 10 000**, when participating in the creation of a legal entity, the setting up of a legal arrangement or, when there is a suspicion of money laundering or terrorist financing or when there are doubts about the veracity or adequacy of previously obtained customer identification data or when there are doubts as to whether the person they interact with is the customer or person authorised to act on behalf of the customer.

By way of derogation, crypto-asset service providers will apply customer due diligence measures when carrying out an occasional transaction that amounts to a value of at least **EUR 1 000**. Obliged entities will apply at least customer due diligence measures when carrying out an occasional transaction in cash amounting to a value of at least EUR 3 000.

Obliged entities must **identify beneficial owners** and take reasonable steps to identify the customer and verify the customer's identity; assess and, as appropriate, obtain information on and understand the purpose and intended nature of the business relationship or the occasional transactions; verify whether the customer or the beneficial owners are subject to targeted financial sanctions; conduct ongoing monitoring of the business relationship.

Obliged entities will report to the **central registers** any discrepancies they find between the information available in the central registers and the information they collect.

Third-country policy

The Commission will be empowered to adopt delegated acts to identify third countries whose national AML/CFT arrangements contain weaknesses that pose a threat to the integrity of the EU internal market.

Enhanced due diligence measures

Obliged entities will examine the origin and destination of funds involved in, and the purpose of, all transactions that fulfil at least one of the following conditions: (a) the transaction is of a complex nature; (b) the transaction is unusually large; (c) the transaction is conducted in an unusual pattern; (d) the transaction does not have an apparent economic or lawful purpose.

Where a business relationship that is identified as having a higher risk involves the handling of assets with a value of at least **EUR 5 000 000**, or the equivalent in national or foreign currency, through personalised services for a customer holding total assets with a value of at least **EUR 50 000 000**, or the equivalent in national or foreign currency, whether in financial, investable or real estate assets, or a combination thereof, excluding that customer's private residence, credit institutions, financial institutions and trust or company service providers will apply the following enhanced due diligence measures.

Beneficial ownership

The Regulation harmonises the rules on beneficial owners and makes them more transparent. Beneficial owners of legal entities are natural persons who: (a) have, directly or indirectly, an ownership interest in the corporate entity; or (b) control, directly or indirectly, the corporate or other legal entity, through ownership interest or via other means.

Ownership interest in the corporate entity means direct or indirect ownership of 25 % or more of the shares or voting rights or other ownership interest in the corporate entity.

ENTRY INTO FORCE: 9.7.2024.

APPLICATION: from 10.7.2027.